

JAN 07 1999

WISCONSIN HIGHWAY USERS CONFERENCE

Jan. 7, 1999 (via fax to: 282-3649; total pages: 6) ("original" via fax)

The Honorable David Brandemuehl
Chairman, Assembly Transportation Committee
Wisconsin State Capitol
Madison, WI 53702

Dear Chairman Brandemuehl:

Thank you very much for agreeing to meet with the Wisconsin Highway Users Conference on Jan. 20. We will meet at 2 p.m. that day at the offices of the Wisconsin Auto and Truck Dealers Association, 150 E. Gilman--Suite A, in Madison. (WATDA is located in the Verex Building on Lake Mendota; parking is available in a gated lot across Gilman Street from the building.) Please accept my apologies for not getting this letter to you sooner. I hope my delay hasn't inconvenienced you.

The interest of the conference in issuing this invitation is to discuss prospects for the state's transportation budget with you from your perspective as chairman of the Assembly Transportation Committee. I have attached a roster of the member organizations of the Wisconsin Highway Users Conference. My expectation is that about 15 representatives of the member organizations would be likely to attend our Jan. 20 meeting. As I believe you are aware, Sen. Breske has accepted a similar invitation for the meeting.

Our group is relatively informal, so please don't feel you have to create an extensive presentation. We are interested in garnering your insight into the likely dynamics of the transportation-budget debate. Toward that end, we're hoping that you and Sen. Breske might each speak for 10 to 15 minutes (more, if you like) and then participate in discussion with members of the conference. They will, I am sure, have many questions.

To facilitate that discussion, I have enclosed copies of a cover memo and conference position paper that have been shared with secretaries Bugher and Thompson. These materials describe conference perspectives on some important, long-term transportation-financing issues, and we would appreciate your thoughts about prospects for our priorities in the coming budget debate. *These priorities include: focusing investment on the state's high-volume highways, broadening the narrow base of the Transportation Fund, granting local road aids only for local roads, and establishing a local, non-fuel-tax revenue source for local transit. You might also care to share with us your thoughts about DOT draft budget planks you find significant and about the department's 5 percent biennial budget base reduction plan.*

Please call me with any questions, concerns or needs related to our meeting. And please accept my best wishes for the new year and a productive legislative session. I'll look forward to seeing you soon.

Sincerely,



Ernie Stetenfeld (AAA Wisconsin, 608/828-2487)
Chairman, Wisconsin Highway Users Conference

THE WHITE HOUSE AT WORK

Monday, January 11, 1999

PRESIDENT CLINTON AND VICE PRESIDENT GORE: STRONGER COMMUNITIES BUILD STRONGER FAMILIES

In the 21st Century, increasingly, a livable community will be an economically powerful community.

-- Vice President Al Gore

Today, Vice President Al Gore is launching a comprehensive strategy to help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth. This Livability Agenda will strengthen the federal government's role as a partner with the growing number of state and local efforts to build "livable communities" for the 21st Century.

Working With Communities To Sustain Growth And Ensure A High Quality Of Life. Across America, communities are searching for ways to maintain growth while preserving a high quality of life. While each community must chart its own destiny, the federal government can be an important partner in building healthy, livable communities for the 21st century. As part of the Clinton-Gore Livability Agenda, the Administration will continue to work with and learn from states and communities and help them:

- *Preserve green spaces* that promote clean air and water, sustain wildlife, and provide families with places to walk, play, and relax;
- *Ease traffic congestion* by improving road planning, strengthening existing transportation systems, and expanding the use of alternative transportation;
- *Restore a sense of community* by fostering citizen and private sector involvement in local planning, including the placement of schools and other public facilities;
- *Promote collaboration* among neighboring communities -- cities, suburbs, or rural areas -- to develop regional growth strategies and address common issues like crime;
- *Enhance economic competitiveness* by nurturing a high quality of life that attracts well-trained workers and cutting-edge industries.

The Clinton-Gore Administration's Livability Agenda For The 21st Century. The President's fiscal year 2000 budget request to Congress will propose significant new investments to support livability programs:

- *Better America Bonds.* The President's budget will propose tax

credits totaling more than \$700 million over five years to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up abandoned industrial sites;

- *Community Transportation Choices.* The President's budget will include an unprecedented request for public transportation funding to ease traffic congestion and a 16 percent increase in funding to implement innovative community-based programs;
 - *Regional Connections Initiative.* To promote regional "smart growth" strategies and to complement the Administration's other regional efforts, the Department of Housing and Urban Development will provide \$50 million in matching funds for local partnerships to design and pursue smarter growth strategies across jurisdictional lines;
 - *Community-Centered Schools.* A new \$10 million grant program administered by the Department of Education to encourage school districts to involve the community in planning and designing new schools;
 - *Community-Federal Information Partnership.* The President will propose \$40 million to provide communities with grants for easy-to-use information tools to help develop strategies for future growth;
 - *Regional Crime-Data Sharing.* The President will request \$50 million to expand programs to help communities share information to improve public safety.
-

END



END

DOT Site Cleanup Exemptions

Issues

- DOT is considered a "responsible party" under the state spill law for property it owns outside of the "zone of construction" or areas held in easement.
- While all other parties are exempt from liability for contamination originating off-site, DOT and other state agencies are not exempt.

DOT Request

- Exempt DOT from responsibility for cleaning up contamination outside the zone of ~~contamination~~ *construction* or on easements.
- Exempt all state agencies from liability associated with off-site contamination.

Points to Consider

- Granting an exemption of this nature could lend support to the perception that DOT is "anti-environment".
- DOT and DNR have been engaged in negotiations over the last few years to address these issues. DNR has agreed to limit DOT's cleanup responsibility to the zone of construction.
- The only practical impact of exempting DOT from the cleanup responsibility on easements will be that it gives the department more leverage in forcing local governments and private property owners to seek cleanup funds from PECFA.
- Responsibility for cleanup is not solely an issue for DOT. Granting this special exemption could have broad budget, policy and political ramifications.
- State agencies are not exempt from off-site contamination to address situations where there is no responsible party that can be found or is able to pay. In those instances, some area of state government will have to address the cost. The Environmental Fund (supported primarily by landfill tipping fees) is usually the source of last resort.

Recommendation:

Require that DOT and DNR reach an agreement on an MOU concerning these issues by January 1, 2000.
Require approval of the MOU by the DOA Secretary.

Jan 13
1999

16. Transportation Projects Commission. Allow the Transportation Projects Commission (TPC) authority to review and select projects for development of feasibility studies and/or draft environmental impact statements prior to DOT making formal recommendations for project enumeration to the TPC. ? no decision
17. Comparable Replacement Property Definition. Allow the department to order that persons vacate a property prior to a comparable replacement being found. The department must still take reasonable and necessary steps to assist owners of displaced business concerns in obtaining and becoming established in suitable replacement business locations. Separate legislation
18. Prorated Property Taxes in Condemnation Awards. Allow the department to withhold from the award the prorated share of property taxes due on condemned property or to include in the award the department's share of the taxes on the property taken. Approve
19. Zone of Construction and Easement Contamination Management. ~~Exempt~~ DOT from requirement to cleanup entire contaminated area, outside the construction zone, rather than area located within DOT's construction zone and easement. Deny
20. Off-Site Contamination Source Liability. Exempt DOT from cleanup costs associated with contamination originating from outside DOT property boundaries. Deny
21. Cooperative Environmental Agreements. Extend current DOT/DNR liaison agreement to all transportation projects rather than simply highways and bridges. Approve

Motor Vehicles

22. Delay Implementation of Daily Registration Expiration. Extend the provision, until January 1, 2000, that vehicles registered after January 1, 1999 have the vehicle registration expire 365 days from the day the vehicle is first operated. Deny
23. Repeal \$5 Fee for Title/Registrations Processed by Financial Institutions. ~~Eliminate~~ the current \$5 fee charged to financial institutions for electronic transmittals. (Revenue loss of \$170,000 in FY00 and \$289,000 in FY01) Approve
24. Registration Fee for Camping Trailers. Consolidate the annual registration fee for all camping trailers at \$15. The bill does not change the exemption from mandatory registration for small, private camping trailers. Approve

ENVIRONMENTAL STATUTORY LANGUAGE CHANGE REQUESTS

Zone of Construction Cleanup

- Where existing contamination does not pose a threat to human health or a further threat to the environment, and where WisDOT did not cause the contamination, WisDOT should only be required to clean up or manage contaminated material that it disrupts within the zone of construction.
- This policy is already implemented in practice by DNR staff in many of the DNR's regions. This change would give DOT assurances about the consistent, statewide application of this policy.
- This change would be consistent with the concept of focusing cleanup resources on the areas that pose the greatest risk to human health or the environment. DOT sites would be closed without requiring expenditures from PECFA or the Environmental Fund.

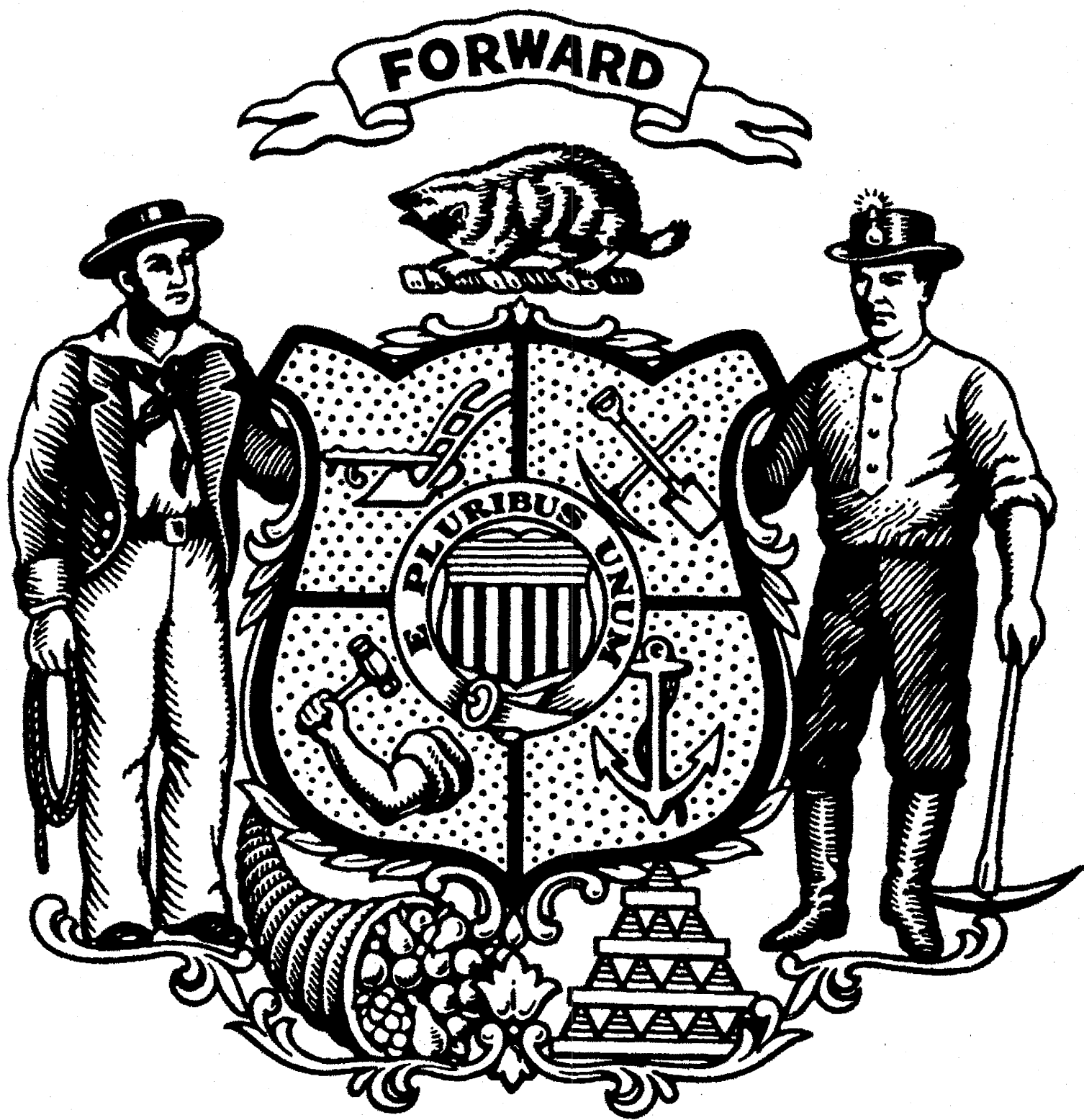
Contaminated Property Held in Easement by WisDOT

- WisDOT's legal opinion is that the person who owns the property in fee title is the responsible party, and should be approached first by the Department of Natural Resources for purposes of cleaning up the site. DNR believes we are the responsible party if we hold an easement and therefore does not vigorously pursue the owner.
- If the responsible party cannot be found, or is not financially viable, WisDOT would then assume responsibility for clean-up. Therefore, this change would not increase costs to PECFA or the Environmental Fund.

Offsite Contamination Source Liability Exemption

- Would be in keeping with the policy direction set by the Legislature in 1997 Act 27. (Where they gave this exemption to all "persons" except state agencies)
- Puts the responsibility for remediation on the person who owns the source of contamination, not the abutting property owner "receiving" the contamination.
- Would benefit other state agencies in addition to DOT (UW, Corrections, DOA).

END



END



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

*1st fund that generates
about 31 mil*

January 13, 1999

TO: Representative David Brandemuehl
Room 317 North, State Capitol

FROM: Jon Dyck and Al Runde

SUBJECT: Background Information Regarding Transportation Positions of the Wisconsin Highway Users Conference

At your request, this memorandum provides background information regarding the November 16, 1998, letter sent by the Wisconsin Highway Users Conference (WHUC) to DOA Secretary Mark Bugher outlining WHUC's positions on transportation financing and expenditure issues.

Transportation Revenues

Transportation Fund Revenue Base

In 1997, the Transportation Finance Study Committee, in identifying possible transportation revenue options, compiled statewide estimates on the amount of sales tax revenue collected on automobile leases and purchases and other auto-related products and services (maintenance, repairs and auto parts). The WHUC proposes that future growth in the sales tax revenue for such items would be deposited to the transportation fund. Such a proposal would reduce state general fund revenues by the amount deposited to the transportation fund. Using the Transportation Finance Study Committee estimates, the following table indicates the annual growth in auto-related sales tax revenue and the cumulative amounts that would be transferred from the general fund to the transportation fund under the WHUC proposal.

welcome - glad to be here etc.

*diverse group - but all have one thing in
common the need for a good highway & transportation
system.*

**Estimated Sales Tax Revenue
From Autos and Auto-Related Products/Services
(\$ in Millions)**

<u>Year</u>	<u>Revenues</u>	<u>Annual Growth</u>	<u>Cumulative Growth 2000</u>	<u>2002</u>
1999	\$420.8	---	---	---
2000	429.2	\$8.4	\$8.4	---
2001	436.9	7.7	16.1	---
2002	444.8	7.9	24.0	\$7.9
2003	453.7	8.9	32.9	16.8

As indicated in the table, the Committee estimated that approximately \$7 million to \$9 million in revenue growth on auto and auto-related products could be expected each year. Approximately \$32.9 million would be transferred to the transportation fund in 2002-03, if the proposal were implemented using 1998-99 as the base year, while \$16.8 million would be transferred in 2002-03 if 2000-01 is used as the base year.

Transit Funding Options

WHUC proposes providing counties with the authority to enact a 0.5% sales tax, with the revenues from the tax dedicated to assist cities and counties with funding mass transit. Counties currently have the authority to enact a 0.5% sales tax. Currently, 51 counties have enacted a sales tax, with the tax in Eau Claire and Washington counties being first effective in January, 1999. Approximately \$160.7 million in county sales tax revenue was received by the 49 counties with a county sales tax in 1997. The following table indicates the revenue received by counties from the 0.5% county sales tax in 1997.

1997 County Sales Tax Revenue Distributions

<u>County</u>	<u>1997 County Sales Tax</u>	<u>County</u>	<u>1997 County Sales Tax</u>	<u>County</u>	<u>1997 County Sales Tax</u>	<u>County</u>	<u>1997 County Sales Tax</u>
Adams	\$651,417	Douglas	\$1,866,364	Marathon	\$7,090,106	Rusk	\$524,397
Ashland	780,472	Dunn	1,468,816	Marquette	677,808	St. Croix	2,679,477
Barron	2,219,164	Forest	266,455	Milwaukee	48,587,575	Sauk	3,519,632
Bayfield	537,805	Iowa	983,718	Monroe	1,575,784	Sawyer	897,710
Buffalo	384,293	Iron	299,589	Oconto	978,187	Shawano	1,427,687
Burnett	527,599	Jackson	716,087	Oneida	2,399,998	Trempealeau	819,064
Chippewa	2,510,316	Jefferson	3,053,469	Ozaukee	4,105,783	Vernon	532,710
Columbia	2,236,793	Juneau	992,299	Pepin	266,870	Vilas	1,344,712
Crawford	997,620	Kenosha	6,372,927	Pierce	943,984	Walworth	4,563,638
Dane	27,012,861	La Crosse	6,619,015	Polk	1,386,897	Washburn	685,296
Dodge	3,327,460	Langlade	910,472	Portage	3,527,652	Waupaca	2,081,634
Door	2,081,413	Lincoln	1,216,563	Price	626,673	Waushara	784,265
				Richland	\$614,810	Total	\$160,675,339

which text

As indicated in the table, Milwaukee and Dane counties received approximately \$48.6 million and \$27 million, respectively, in sales tax revenues in 1997. By comparison, in 1997, the transit systems in Milwaukee County had approximately \$15.1 million in reported operating expenses funded from local (non-farebox) funds, while transit systems in Dane County had \$7.7 million in reported operating expenses funded from local (non-farebox) funds.

*Senator
Buehler
proposed*

Unlike the proposal to deposit the growth in sales tax on auto-related items that are already taxed, an additional county sales tax would not result in a transfer of revenues from the state's general fund. However, the additional cost for goods that results from another 0.5% county sales tax could have marginal impact on general fund revenues in that the overall demand for items subject to the state and county sales taxes could be reduced.

The WHUC also recommended that any future state capital expenditures for transit be funded from state general fund supported general obligation bonds rather than from bonds repaid from the transportation fund. The debt service on such general obligation bonds would become a first draw on general fund revenues, rather than on transportation fund revenues. If general obligation bonds are used for future capital improvements to the state's transit systems, available revenue to the general fund would be reduced by the cost of the debt service on such bonds (approximately \$85,000 annually for each \$1 million in 20-year bonds).

Currently, the state provides only operating assistance for transit systems in the state. Milwaukee and Madison receive direct federal transit aid for capital and maintenance and federal funds are distributed by DOT to other systems in the state for capital improvements on a priority basis.

Transportation Expenditures

Allocation of Federal Aid

allocating federal funds

In its letter to Secretary Bugher, WHUC made several requests regarding DOT's plan for allocating additional federal funds received by the state in federal fiscal year 1999. DOT's plan, which allocated \$127.1 million in additional 1999 aid, was approved by the Joint Committee on Finance at its December meeting under s. 13.10 of the statutes. The following table shows the federal funding provided by 1997 Act 27 for 1998-99 appropriations that use federal highway aid, the allocation of federal highway aid by the approved plan and the total program percentage increase provided by the plan. Since many programs have both state and federal appropriations, and the major highway development program uses revenue bonding as well, the final column calculates the percentage increase on the total program size, instead of just the federal funding portion of the program.

Allocation of Additional 1999 Federal Highway Aid

	<u>Act 27 1998-99 Base</u>		<u>1999 Federal Plan</u>		Program Percentage Increase
	Funding	Percent Of Total	Funding	Percent Of Total	
State Programs					
Major Highway Development	\$40,935,100	11.9%	14,685,000	11.6%	7.6%
State Highway Rehabilitation	200,698,400	58.2	73,710,300	58.0	16.2
Highway Maintenance	880,000	0.3	0.0%	0.0	0.0
Highway Administration and Planning	2,903,300	0.8	2,396,700	1.9	11.1
Departmental Mgmt. and Operations	6,575,600	1.9	2,000,000	1.6	3.9
Motor Vehicle Emission Inspection and Maintenance	<u>2,052,600</u>	<u>0.6</u>	<u>0</u>	<u>0.0</u>	<u>0.0</u>
SUBTOTAL	\$254,045,000	73.6%	\$92,792,000	73.0%	10.6%
Local Programs					
Rail Passenger Service	\$2,730,000	0.8%	\$341,300	0.3%	10.0%
Local Bridge Improvement	24,288,200	7.0	2,000,000	1.6	6.1
Local Trans. Facility Improvement	50,038,000	14.5	21,341,700	16.8	42.7
Transportation Enhancements	3,750,000	1.1	2,498,000	2.0	66.6
Railroad Crossing Improvement	1,849,300	0.5	1,200,000	0.9	52.2
Surface Transportation Grants	2,720,000	0.8	0	0.0	0.0
Congestion Mitigation/Air Quality Improvement	<u>5,579,500</u>	<u>1.6</u>	<u>6,919,000</u>	<u>5.4</u>	<u>124.0</u>
SUBTOTAL	\$90,955,000	26.4%	\$34,300,000	27.0%	34.1%
TOTAL	\$345,000,000	100.0%	\$127,092,000	100.0%	13.0%

Among the requests made by WHUC regarding how the additional federal funds were to be allocated, you asked for comments on three items. First, WHUC requested that amounts not committed to certain programs, such as the congestion mitigation and air quality improvement program (CMAQ), be allocated for state and local highway and bridge programs. As shown in the table, a large percentage of the additional aid was allocated to these programs. Of the \$127.1 million total, \$111.7 million, or 87.9% was provided for the state highway rehabilitation, major highway development, local transportation facility improvement and local bridge programs. The remainder largely went to programs where DOT indicated more needed to be spent in order to avoid losing funds that the state has been authorized to spend.

DOT indicated that in order to avoid losing authorized funds, funding was increased by a disproportionate amount for both the transportation enhancements program (which funds primarily local bicycle and pedestrian projects) and the CMAQ program (which funds projects in ozone nonattainment areas that are designed to reduce highway congestion and air pollution caused by automobiles). In the federal highway program, funds are authorized for expenditure in various program categories, including enhancements and CMAQ. However, authorized funds (called apportionments) do not represent actual spendable dollars. Since the federal government frequently authorizes more spending than it appropriates, not all apportionments can be used in any given year. Unused amounts carry-over to the following year, but eventually they lapse if they are not used.

Consequently, although the funding provided to enhancements and CMAQ is not strictly required to be spent on these programs, the state may have eventually lost some authority to spend these funds if this authority had not been used. However, because the state typically receives considerably more apportionments than it receives spendable dollars, lapsing some apportionments would not likely involve a reduction in the total amount of federal aid that the state can spend.

Second, WHUC asked that the plan maintain the distribution of federal highway aid between state and local programs that was established by the 1997-99 budget. As shown in the table, the appropriations that DOT has identified as state programs were provided 73.6% of the federal highway funds in 1998-99 by the budget. The plan allocated 73.0% of the additional amount to these programs.

Third, WHUC requested that, of the funding provided for state programs, the state highway rehabilitation program be given highest priority. As the table shows, the plan provided \$73,710,300 for the rehabilitation program, or 79.4% of the funds provided to state programs and 58.0% of the total federal increase. Of the state programs, the rehabilitation program received the largest increase over the 1998-99 all funds program base, or 16.2%.

For a further analysis of the issues that WHUC raised in its letter, the following table shows the distribution of expected 2000 and 2001 federal highway aid in DOT's 1999-01 budget request. For the purposes of comparison, the adjusted base is doubled. The Department has estimated that the state will receive \$30.0 million above the 1998-99 base (as modified by the plan) during the biennium. Of this amount, DOT has requested that \$28,625,900, or 95.4%, be allocated to programs that were identified in the 1999 federal plan as state programs. It should be noted that the allocation of federal funds does not provide a complete picture of the total funding provided for these programs. For instance, the major highway development program was provided an increase of about 3% annually. Most of this increase, however, was provided with revenue bonding proceeds.

**Allocation of Federal Highway Aid in DOT's
1999-01 Budget Request**

<u>Appropriation</u>	<u>Base Plus Standard Budget Adjustments</u>	<u>1999-01 Request</u>	<u>Change to Modified Base</u>
State Programs			
Major Highway Development	\$111,240,200	\$113,355,200	\$2,115,000
State Highway Rehabilitation	553,350,000	577,206,900	\$23,856,900
Highway Maintenance	1,760,000	2,388,000	\$628,000
Highway Administration and Planning	10,600,000	10,900,800	\$300,800
Departmental Mgmt. and Operations	17,439,800	17,887,400	\$447,600
Motor Vehicle Emission Inspection and Maintenance	<u>4,105,200</u>	<u>5,382,800</u>	<u>\$1,277,600</u>
SUBTOTAL	\$698,495,200	\$727,121,100	\$28,625,900
Local Programs			
Rail Passenger Service	\$6,142,600	\$7,016,700	\$874,100
Local Bridge Improvement	52,576,400	52,576,400	\$0
Local Trans. Facility Improvement	142,759,400	143,259,400	\$500,000
Transportation Enhancements	12,496,000	12,496,000	\$0
Railroad Crossing Improvement	7,098,600	7,098,600	\$0
Surface Transportation Grants	5,440,000	5,440,000	\$0
Congestion Mitigation/Air Quality Improvement	<u>24,997,000</u>	<u>24,997,000</u>	<u>0</u>
SUBTOTAL	\$251,510,000	\$252,884,100	\$1,374,100
TOTAL	\$950,005,200	\$980,005,200	\$30,000,000

1998-99 Base and 1999-01 Budget Increases

In addition to making requests on how the additional 1999 federal aid should be allocated, WHUC also made requests regarding the 1999-01 budget. First, WHUC asked that the changes made by DOT's 1999 federal plan be made part of the permanent base for the purpose of preparing the 1999-01 biennial budget. The 1998-99 base is the starting point for determining funding levels for the 1999-01 biennium. Any increases or decreases provided by the budget are made to this base. Normally, the base is established when agencies file preliminary budget papers with DOA in July preceding the budget. The Joint Committee on Finance, however, voted in December to include the federal adjustments as part of the base, as WHUC had requested. For example, the state

*increase
federal money included
533, M/L*

highway rehabilitation program would have had a 1998-99 base of \$459,716,000 had the approved plan not included the \$73.7 million increase in the base. With that increase included, the base is actually \$533,426,300. This decision did not have an effect on how much would actually be spent in 1998-99, but does have an impact on the preparation of the 1999-01 budget.

Second, WHUC requested that equal above-base percentage increases be provided for the major programs. In its letter to Secretary Bugher, WHUC noted that there will be limited resources to provide increases for transportation programs. Since the increases provided by the federal plan were included in the base, the base expenditure level is higher than it would have otherwise been. The amount of revenue above that base, therefore, is limited. After making adjustments for standard budget adjustments, debt service reestimates, compensation and other reserves, appropriations to other agencies and estimated lapses, it is estimated that there will be above-base federal and state revenues of \$31.4 million in 1999-00 and \$53.8 million in 2000-01. This amount of revenue would be sufficient to provide increases of only 1.9% in 1999-00 and 1.3% in 2000-01 for transportation programs funded with state transportation fund or federal revenues.

Given these limits, WHUC has asked that the major transportation programs be provided equivalent increases by the 1999-01 budget. The following table shows the annual increases that DOT has requested for the major programs for the 1999-01 biennium, and the corresponding annual percentage increases. Most of the requested increases would be provided with federal highway aid or state transportation fund revenue. However, most of the increase requested for the major highway development program would be provided through increased bonding. No increase was requested for the local bridge assistance or local transportation facility improvement programs.

Increases for Major Programs in DOT's 1999-01 Budget Request

	<u>1999-00</u>		<u>2000-01</u>	
	Funding Increase	Percentage Increase	Funding Increase	Percentage Increase
State Highway Rehabilitation	\$7,495,100	1.4%	\$7,220,800	1.3%
Major Highway Development	6,099,000	2.9	6,409,500	3.0
Highway Maintenance	2,868,400	1.9	8,668,600	5.7
	<u>Calendar Year 2000</u>		<u>Calendar Year 2001</u>	
	Funding Increase	Percentage Increase	Funding Increase	Percentage Increase
General Transportation Aid	\$9,408,100	2.9%	\$0	0.0%
Transit Aid	2,595,600	3.0	0	0.0

General Transportation Aid

WHUC recommends that increases in general transportation aid be limited to the rate of inflation while any above-inflation increases be provided to the local road improvement and transportation economic assistance programs. DOT's 1999-01 budget request recommends a 2.8% increase in general transportation aid in 2000 for municipalities, with no additional increase in 2001, and a 3.0% increase in 2000 for counties, with no additional increase in 2001. DOT's request would result in an overall general transportation aid increase of 2.9% in 2000, with no additional increase in 2001. DOT's budget request did not recommend any increase in funding for the local road improvement program, which includes the county highway improvement program, or the transportation economic assistance program in the 1999-01 biennium.

WHUC also recommends that general transportation aid fund only those expenses directly related to maintaining and improving roadways and not fund less direct expenses, such as police costs. Eligible highway-related costs are currently divided into three major categories:

- a. *Maintenance*; including costs associated with snow plowing and the maintenance of pavements, bridges, culverts, storm sewers and traffic control devices.
- b. *Construction*; including right-of-way acquisition, engineering, signing and construction costs for pavements, bridges, culverts and storm sewers.
- c. *Other Highway-Related Costs*; including machinery and vehicle costs, building expenditures for road purposes, debt service payments, traffic police and street lighting costs.

All public road, street or alley construction and maintenance expenditures within the right-of-way are generally reportable as eligible cost items.

Beginning with 1999 payments, DOT began to phase-in a reduction in the percentage of police costs that are aided under the formula. The following table compares the previous percentages with those under DOT's new policy. All other eligible costs would continue to be included at the same percentages that they have been in the past (100%, except for street lighting).

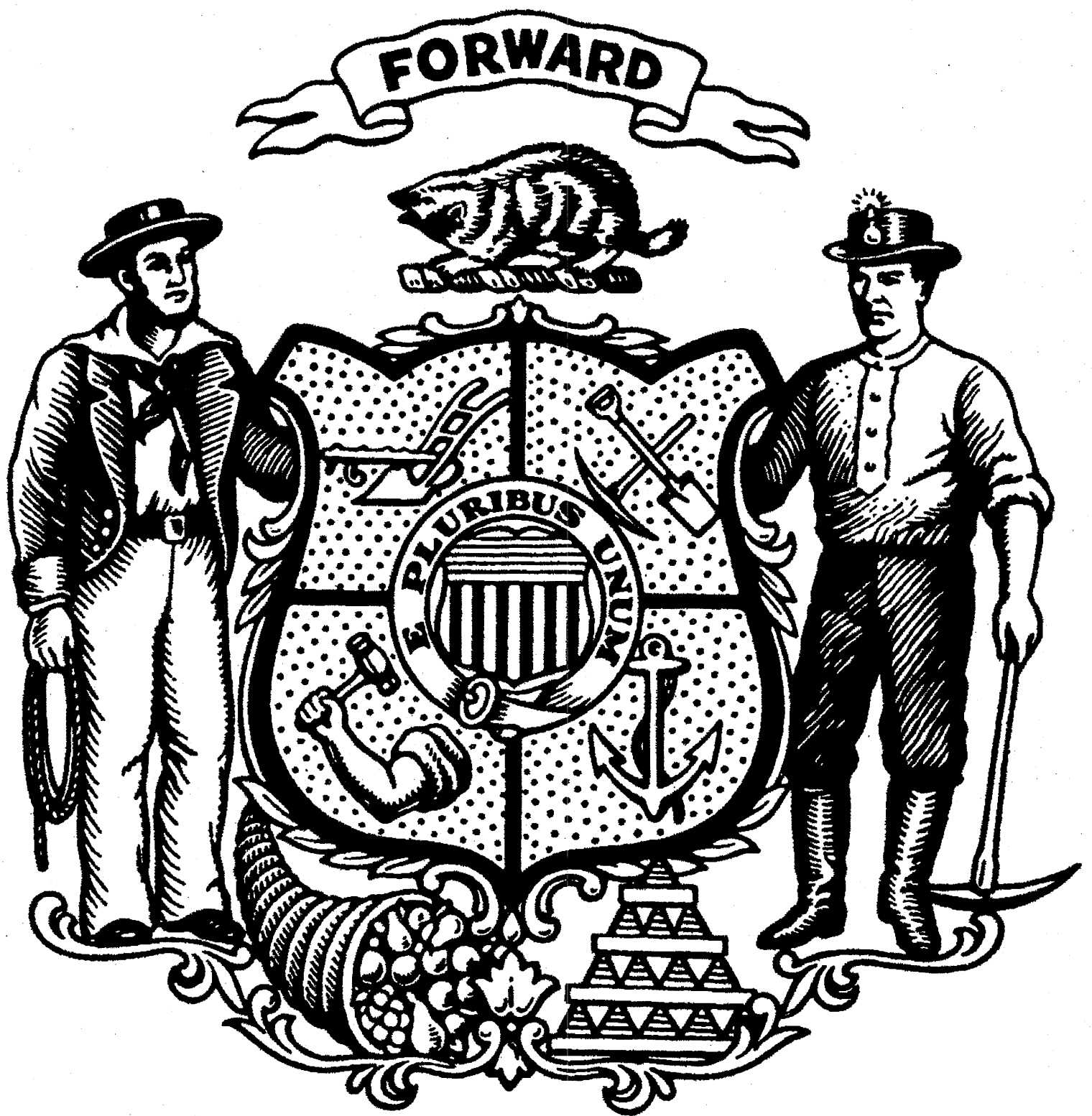
**Comparison of Previous and Current
Police Cost Percentages**

	<u>Previous</u>	<u>Current</u>
Counties	50%	40%
Municipalities (Pop.)		
Under 1,000	80%	50%
1,001 - 5,001	70	50
5,001 - 10,000	60	50
10,001 - 35,000	40	32.5
Over 35,000	30	26

We hope this information is helpful. If you have any further questions, please contact us.

JD/AR/dls

END



END

WISCONSIN HIGHWAY USERS CONFERENCE

DATE: Jan. 18, 1999 (via fax)
TO: All conference members
FROM: Ernie Stetenfeld, chairman (608/828-2487, AAA)
RE: Agenda for conference meeting, 2 p.m., January 20
 Wisconsin Auto and Truck Dealers Association
 150 E. Gilman--Suite A, Madison

*Rep. Brandemuehl--
 We're looking for-
 ward to meeting
 with you on Wednesday.
 Ernie*

Per the meeting notice sent earlier, please recall that the conference will convene this Wednesday afternoon. We're fortunate in that Sen. Roger Breske and Rep. David Brandemuehl have agreed to join us to discuss issues related to the state transportation budget. Each transportation committee chairman will spend 10 or 15 minutes sharing his insights about the transportation budget and the dynamics of its consideration; then they'll be open to our questions and comments. I have provided both Sen. Breske and Rep. Brandemuehl with copies of papers outlining our conference stances on transportation issues.

The following should suffice as an agenda for our meeting:

AGENDA

- I. Call to relative order, new year's greetings, etc.
- II. Transportation budget discussion
 - Sen. Roger Breske, Chairman, Senate Committee on Insurance, Tourism, Transportation and Corrections
 - Rep. David Brandemuehl, Chairman, Assembly Committee on Transportation
 - Questions and comments from conference members
- III. Air-quality issues discussion
 - NOx SIP call; DNR plans; Clean Air Act Task Force; conformity concerns; Transportation Air Quality Work Group; Mobile-Source NOx Technical Advisory Group; potential mobile-sector involvement in NOx SIP (e.g., early low-sulfur fuel?), etc.
- IV. Other issues discussion
 - Conference action on transportation budget issues?
 - PECFA
 - State Highway Plan
 - Highway safety issues ("GDL," standard-enforcement for belts, etc.)
 - Others still
- V. Conference business
 - Slate of meetings, topics and any assignments for early '99
 - Potential meetings with first-term legislators
 - Slate meeting of board and board election of officers
- VI. Adjournment (by 4:30 p.m.)

✓ c: Sen. Roger Breske (fax to: 267-0309)
 Rep. David Brandemuehl (fax to: 282-3649)

Budget Update

January, 1999

WisDOT submits 1999-2001 biennial budget

The Wisconsin Department of Transportation (WisDOT) has submitted the remaining portions of its 1999-2001 Biennial Budget to the Governor and Department of Administration. Nearly three months after the complete budget is typically submitted, the time crunch is on for the transportation community to review this information.

On the September 15 budget submission date, WisDOT submitted a partial budget including the Divisions of Motor Vehicles, State Patrol, Business Management and executive office budgets.

As the chart on the right shows, to have a meaningful impact on the Governor's budget, comments should be made in the next few weeks. The Governor's budget is expected to be released to the Legislature anywhere from late January to late February (at this time it appears it will be closer to the latter).

Following are some of the key budget-related events which have taken place to-date:

WisDOT Operating Budget 5% Reduction Plan

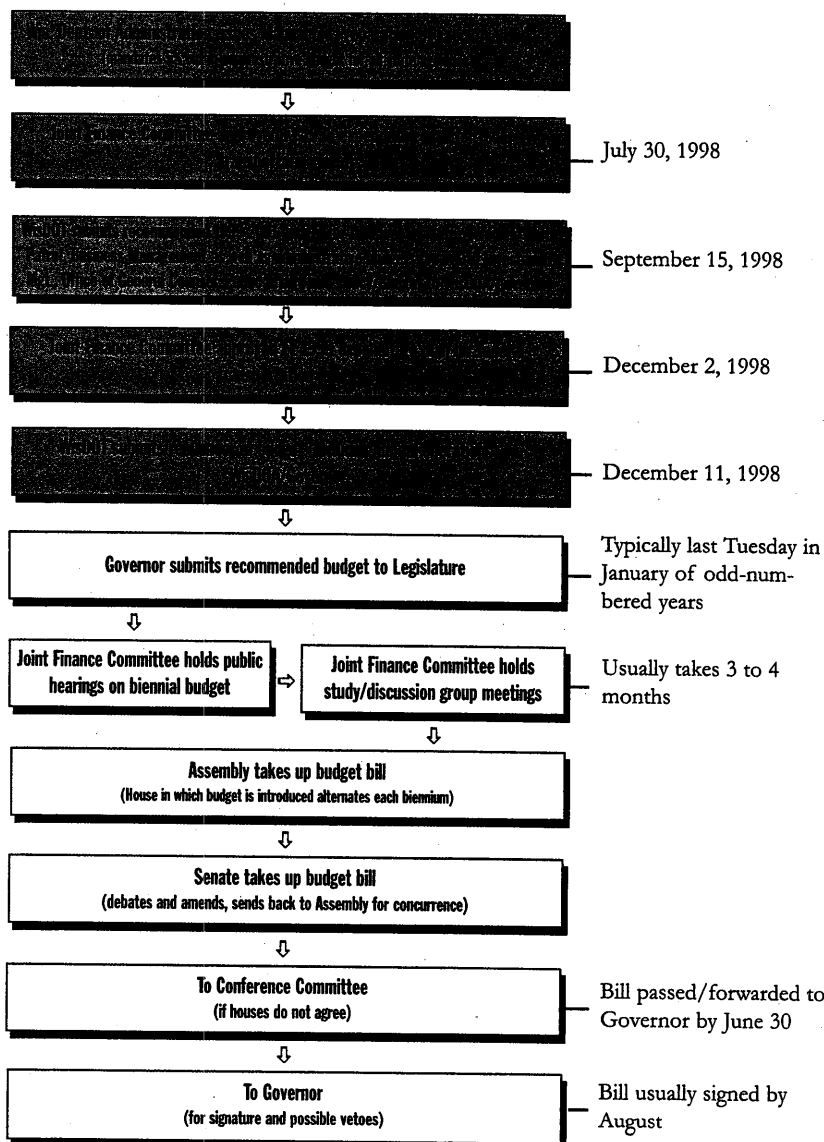
The Wisconsin Department of Administration, in its outline describing budget preparation, mandated a 5% operating budget reduction plan for all state agencies, including WisDOT. WisDOT submitted its 5% reduction plan to WisDOA on November 16, 1998. The plan includes cuts in 23 areas spanning much of the depart-

ment. According to Secretary Thompson, "Including these reductions in the Governor's budget would have a significant impact on our ability to deliver programs and meet customer

customer expectations."

WisDOT is concerned that past reductions have already reduced the department's flexibility and TEA 21 demands more, not less, resources to

Process for 1999-2001 Wisconsin Transportation Budget



Transportation Development Association of Wisconsin

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Budget Update

WisDOT's 1999-2001 Biennial Budget

manage the increased program. A 5% operating reduction would mean a \$26.2 million cut in funding over the biennium. Some of the key proposed reduction areas include:

- Reduction in highway plan development
- Real estate program reduction
- Decreased local program technical assistance
- Eliminate state match to MPO & RPC federal aid

JFC approves FY 1999 spending plan incorporating revised federal funding levels

When the Legislature was developing its 1997-99 biennial budget it had no idea what the exact figures would be for federal transportation funding over the next two years. They made a "best guess" estimate and included a provision in the budget mandating that WisDOT return to the Joint Finance Committee with a recommended spending plan for any additional federal funding, if it exceeded the Legislature's estimate by more than 5%. TEA 21 funds exceeded that threshold, therefore a FY 1998 federal expenditure plan was submitted to JFC in July, 1998 and approved with little modification. A FY 1999 plan was approved by JFC on December 2, 1998.

The FY 1999 plan allocated \$127.1 million in highway federal-aid and \$11.3 million in non-highway federal aid. The FY 1999 plan established a new base which WisDOT then used as the starting point for the entire 1999-2001 Biennial Budget.

Editor's note: the following information in this Update has been compiled from the WisDOT full budget submittal and summary document.

1999-2000 WisDOT Budgeted Revenues

There are few surprises in looking at the revenue side of the 1999-2001 budget. With significant state revenue increases having just occurred in the 1997-99 biennial budget, early forecasts predicted no revenue increases for the upcoming biennium.

Revenues in the WisDOT recommended biennial budget total \$3.98 billion. Growth in the program is based primarily on inflation, travel growth and increased federal funding as a result of TEA 21 (see graph below).

State funds: \$2,551.3 million

Revenues generated by the state are by far the largest portion of funding at 63.5%. The state's Transportation Fund includes state motor fuel taxes, vehicle registration fees, driver license fees, and

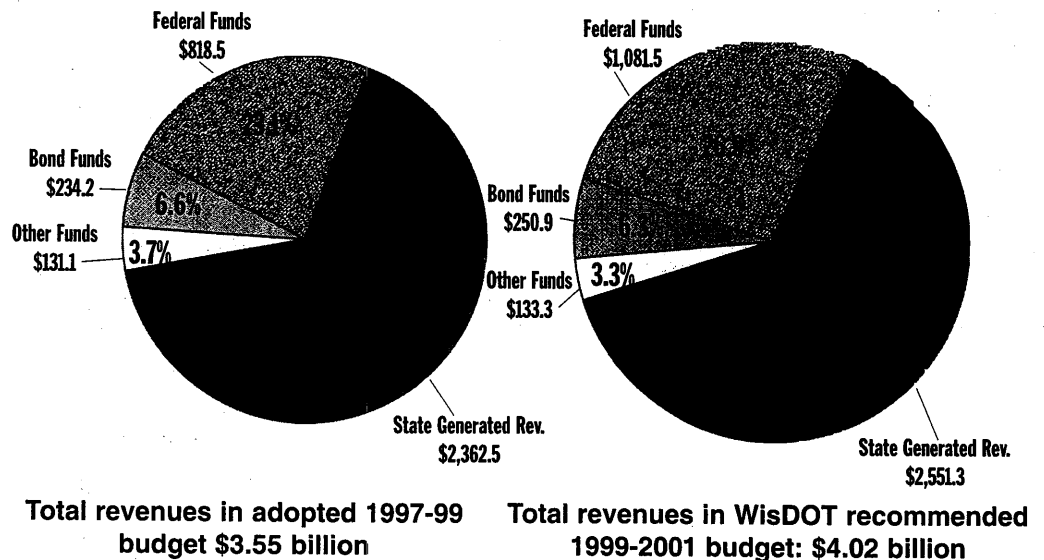
other taxes and fees (see graph on page 3). In the 1999-2001 budget, WisDOT does not request any increases in registration fees or motor fuel taxes beyond those associated with indexing (inflation).

The 1999-2001 budget predicts a growth in state-generated revenues of \$101.5 million for the biennium. After "first draws" (salaries, fringe benefit reserves, debt service, etc.) of \$52.3 million, only \$49.2 million is available for distribution to the modal programs and service divisions.

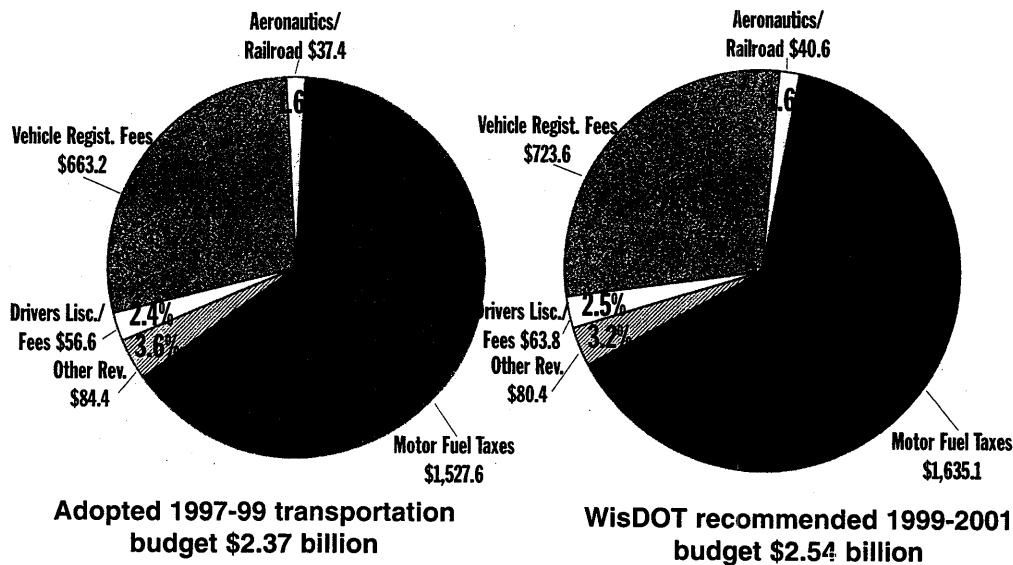
The two main revenue sources for Wisconsin's Transportation Fund are state motor fuel taxes which comprise 64.3% (\$1,635.1 million) and vehicle registration fees at 28.4% (\$723.6 million). With state revenues relying so heavily upon the motor fuel tax,

Wisconsin's Transportation Budget Revenues

All funds in millions



State generated transportation revenues In millions



through the Airport Improvement Program, currently going through the reauthorization process.

Bond funds: \$250.9 million

WisDOT issues transportation revenue bonds to support the Major Highway Program and construction of administrative facilities. In this budget, WisDOT maintains its policy to use bonding for 55% of major highway project costs, with the balance cash financed. While acceptable bonding levels have always been an issue, bond experts have

continued lower inflation rates (the factor the state's motor fuel tax rate is based upon) will limit 1999-2001 actual revenue levels.

The 1999-2001 budget does not add any major new revenue sources for the biennium, keeping Wisconsin's funding base relatively narrow.

Federal funds: \$1,081.5 million

The federal component of the funding equation increased in the

1999-2001 proposed budget by 3.8% over the 1997-99 adopted budget. This is due, in large part, to the enactment of the Transportation Equity Act for the 21st Century (TEA 21). The actual federal figures for 1997-99 biennium came in at \$932.9 million.

TEA 21 only provides for surface transportation funding and programs like CMAQ and Transportation Enhancements. Federal funding for airport improvements is provided

analyzed Wisconsin's financial composition and stated that a 55% bonding level is reasonable and prudent.

Other funds: \$133.3 million

This category includes revenues from local governments, which pay a portion (usually 10-25%) of the costs for most local transportation projects. Local governments also help fund locally important features on state projects.

Proposed Statutory Modifications

In addition to the fiscal elements, WisDOT's recommended 1999-2001 budget contains over 50 statutory provisions, some of which are included in the expenditures portion of this summary. Many of these recommended modifications would have little, if any, impact on TDA members and the transportation community. Following is a list of those that might be of interest. For a complete list, or specific information, contact the TDA office.

State Highways

- Transportation Impact Analysis (see page 5)
- Corridor Land Use Planning (see page 5)
- Transportation Projects Commission (see page 4)
- Wisconsin Scenic Byways Program: Proposed to create a Scenic Byways Program which would grant the WisDOT Secretary discretion to designate Wisconsin roads as scenic byways.
- Offsite Contamination Source Liability Exemption: Allows WisDOT to be exempt from remediating contamination originating from outside WisDOT property boundaries. Could reduce WisDOT's project-related remediation costs significantly.
- DOT/DNR Cooperative Agreement for Environmental Approval: This would bring a single, uniform

approach for all WisDOT projects in meeting storm water quality related environmental requirements. The uniform approach would help eliminate confusion and streamline WisDOT and WisDNR review processes.

Local Transportation Assistance

- New Intercity Bus Assistance Program (see page 6)
- Airport Perimeter Deer Fencing (see page 6)
- Commuter Rail Studies (see page 6)

Aids

- Eligibility of Police Costs in GTA Formula (see page 7)
- GTA: Municipal minimum cushion (see page 7)
- Local Road Data Collection (see page 7)
- State's Role in Public Transit (see page 7)
- Urban Transit Aid: Funding, Tier, Formula (see page 7)

1999-2001 WisDOT Budgeted Expenditures

State Highway Program

Major Highways		
1999 Base:	\$192,820,400	Annual Change
Federal Plan	\$14,685,000	
2000 Budgeted:	\$213,604,400	2.9%
2001 Budgeted:	\$220,013,900	3.0%

Major Highways

The Major Highway component of the program provides for the improvement of a highway within an existing transportation corridor. The program has three sources of funding: state, federal and revenue bond (see page 3).

Inflationary adjustments recommended. The 1997-99 biennial budget provided an inflationary increase and additional above-base funding to accelerate the implementation of the then-current majors schedule. Additionally, the \$17.5 million in bonding for the acceleration of STH 29 remains a part of the Majors program base budget until that project is completed in 2002. Additional inflationary adjustments were recommended in the 1999-2001 biennium to keep the program whole and avoid further project delays due to a lack of funding.

No new projects for enumeration. Major highway projects are recommended to the Legislature for enumeration after they are evaluated and ranked by the Transportation Projects Commission (TPC). The TPC may recommend projects only if construction on them can begin within six years. The TPC did not meet in 1998, and therefore did not advance any recommended new enumerations. Similarly, the

WisDOT budget contains no additions to the Majors list.

TPC statutory language change recommended. WisDOT has requested a statutory language change to grant the TPC authority to review and select projects for feasibility studies and/or draft environmental impact statements before WisDOT's formal recommendations for project enumeration. This change would give the TPC earlier involvement in the Major Projects selection process.

State Highway Rehabilitation		
1999 Base:	\$461,716,000	Annual Change
Federal Plan	\$73,710,300	
2000 Budgeted:	\$542,921,400	1.4%
2001 Budgeted:	\$550,142,200	1.3%

State Highway Rehabilitation

The STH Rehabilitation Program consists of three subprograms:

- Existing Highways (3-R)
- State Bridges
- Interstate System

The STH Rehabilitation process is

detailed in the state's six-year Highway Improvement Program (currently under development), which is re-examined and updated every two years to reflect funding and priorities established in the state biennial budget.

STH Rehabilitation funding request. The 1999-2001 budget recommends a 2.2% increase over the biennium. This amount is lower than inflation due to TEA 21's providing \$10 million in new funds each year of the biennium. The 1997-99 Biennial Budget provided an inflationary increase and additional funding to reduce the backlog of existing rehabilitation projects.

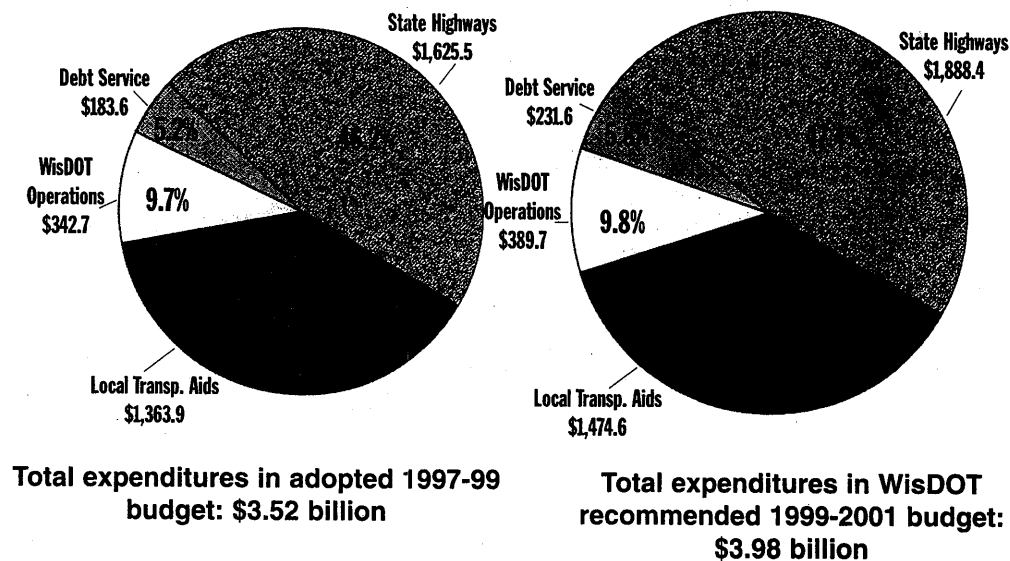
State Highway Maintenance/Traffic Operations		
1999 Base:	\$148,724,600	Annual Change
2000 Budgeted:	\$151,593,000	1.9%
2001 Budgeted:	\$160,261,600	5.7%

State Highway Maintenance and Traffic Operations

Maintenance on the STH system --

Wisconsin's Transportation Budget Expenditures

All funds in millions



primarily snowplowing and routine preventative work -- is performed by contract with Wisconsin's 72 counties.

Funding attempts to meet needs.

This program is recommended to receive a higher-than-inflation funding level in 2001, for the first time since FY 94. WisDOT states that, even with the higher increase, this level does not fully fund all level-of-service needs suggested by projected growth in travel and lane miles.

Reallocating personnel to

Districts 1, 2 and 3. To increase the local planning capabilities in Districts 1, 2 and 3, a total of 12 positions will be transferred from the Maintenance and Traffic Program to the Planning and Local Assistance Section of the Division of Transportation Districts.

Land use-related statutory modification. WisDOT is recommending two statutory modifications which would enable the department to improve efforts to coordinate land use and transportation planning. The first would add "transportation land use issues" as an eligible use of WisDOT's federal multimodal planning funds. The other would create statutory language allowing the department to require transportation impact analyses for large-scale development proposals with potential impact on STH system travel.

State Highway Administration & Planning

1999 Base:	\$22,510,200	Annual Change
Federal Plan	\$2,396,700	
2000 Budgeted:	\$24,936,400	0.1%
2001 Budgeted:	\$24,881,400	-0.2%

State Highway Administration and Planning

This funding proposal accommodates the personnel and associated costs necessary to administer the state's biennial \$1.9 billion STH Program. A combination of state and federal funding comprises this category. The federal component was increased by \$2.4 million for FY

1999 as a result of TEA 21 providing increased funding for the State Planning and Research Program (SPR) and the Metropolitan Planning Program.

Local Transportation Capital Assistance

Local Road & Bridge Program

1999 Base:	\$146,169,800	Annual Change
Federal Plan	\$23,341,700	
2000 Budgeted:	\$169,755,000	0.1%
2001 Budgeted:	\$169,755,000	0.0%
(includes Local Bridge Assistance and Local Trans. Fac. Impr.)		

Local Road and Bridge Program

The Local Road and Bridge Program comprises the largest share of transportation capital assistance programs. It contains two primary components: 1.) State and federal funding for bridge replacement; 2.) Federal aid for rehabilitation of local roads and streets.

Local Road Improvement Program (LRIP). The LRIP program, a component of the Local Road and Bridge Program, addresses long-lasting infrastructure improvements to local roads and streets (county, town, and municipal). No increases are proposed for the 1999-2001 budget, keeping annual funding levels at \$20.7 million. However, significant increases were made to this program in the 1997-99 budget, such as creation of a \$5 million annual set-aside for high-cost county road projects.

Rail Assistance

1999 Base:	\$14,392,000	Annual Change
Federal Plan	\$1,200,000	
2000 Budgeted:	\$15,545,900	-0.3%
2001 Budgeted:	\$15,545,900	0.0%

Rail Assistance

Since the 1977-79 biennium, rail programs have been directed toward assisting localities which have recently

lost rail service. In addition, WisDOT is continuing programs aimed at preserving rail service which might otherwise be abandoned, providing financial assistance to freight rail service providers, and preserving selected abandoned rail corridors for future public purposes.

The rail assistance funding level assumes general obligation bond authorizations are divided evenly between fiscal years.

Freight rail infrastructure loans.

This program offers low or no interest loans to improve freight rail infrastructure. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund. WisDOT's long-term goal is to make this program self-sustaining with a constant funding level, through revolving loans. The current size of the program's revolving loan is \$5.6 million per year.

Freight Rail Service Preservation Program. This program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned railroad corridors that have the potential for future transportation or recreational uses. The budget requests \$4.5 million in new bonding authority for this program, the same level as the 1997-99 budget.

Harbor/Rail Passenger/Bus

1999 Base:	\$5,500,600	Annual Change
Federal Plan	\$341,300	
2000 Budgeted:	\$5,799,300	-0.7%
2001 Budgeted:	\$7,520,100	29.7%

Harbor/Rail Passenger/Bus

The big jump in the second year of this budget category is due to the creation of a new Intercity Bus Service Program.

Harbor Assistance. The budget includes \$3 million in additional general obligation bonding and \$1.2 million in state funds to maintain the

Budget Update

WisDOT's 1999-2001 Biennial Budget

program at the 1997-99 funding level. The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce.

Rail Passenger Assistance.

WisDOT, in cooperation with the Illinois DOT, is in the second year of a three-year contract with Amtrak to provide rail passenger service. Federal guidelines now allow the state to use 90% federal funding rather than the previous 80% in this category. The increase in federal funding results in lowering the dollar amount the state needs to match.

Intercity Bus Initiative. The \$1.3 million in requested funds is designed to restore bus service on approximately four routes where it was abandoned in recent years. The \$526,000 in state funds are being requested for the first time to pilot resurrecting abandoned routes. Previously only federal funds were used, which at 50% were typically insufficient to preserve service.

The routes connect cities with college campuses, a prime intercity bus market, and will serve the elderly and disabled; college students; those with limited incomes; those without access to an automobile; and those unable to drive long distances.

Aeronautics Assistance		
1999 Base:	\$38,998,800	Annual Change
2000 Budgeted:	\$40,089,200	2.8%
2001 Budgeted:	\$40,089,200	0.0%

Aeronautics Assistance

Aeronautics Program funding comes primarily in the form of federal aid. This assistance is used for runway construction, extensive pavement rehabilitation, land acquisition and the construction of navigational aids and lighting systems.

Deer fencing. WisDOT is requesting \$1.2 million per year from the Conservation Fund for the state share of constructing adequate deer safety fencing at Wisconsin airports. Faced with an increasing deer population, 32 of 38 Wisconsin airports handling commercial and corporate jet aircraft do not have adequate deer fencing. This investment would need to be made annually to ensure adequate fencing is installed at all airports within 13-15 years.

Multimodal Transportation Studies		
1999 Base:	\$750,000	Annual Change
2000 Budgeted:	\$1,950,000	160.0%
2001 Budgeted:	\$1,950,000	0.0%

Multimodal Transportation Studies

This new budget item is requesting the funding of at least two comprehensive commuter rail studies within the 1999-2001 biennium. The nearly \$2 million/year in state funds are proposed to look at alternatives and analyze Dane County or Milwaukee-Kenosha routes. In order for these projects to qualify for future federal funds, in-depth study of this type is needed. WisDOT is looking for this new appropriation to exclusively fund commuter rail studies.

Transp. Facilities Economic Assist. & Dev.		
1999 Base:	\$7,000,000	Annual Change
2000 Budgeted:	\$7,000,000	0.0%
2001 Budgeted:	\$7,000,000	0.0%

Transportation Facilities Economic Assistance & Development

This program provides funding for time-sensitive transportation improvement projects and those that increase jobs in Wisconsin. Local governments apply for the grants in cooperation with private businesses. There is no increase in this program over the biennium. The state share of

this matching grant program is \$3.5 million annually.

Surface Trans./Enhancements Grants & CMAQ		
1999 Base:	\$17,416,200	Annual Change
Federal Plan	\$9,417,000	
2000 Budgeted:	\$26,833,200	0.0%
2001 Budgeted:	\$26,833,200	0.0%
(includes all three categories)		

Surface Transportation Grants, Transportation Enhancements, and Congestion Mitigation & Air Quality

WisDOT does not suggest increases for these three programs during the 1999-2001 biennium. Significant increases were incorporated into the 1999 base with jumps in federal funds for both the Enhancements (\$2.5 million) and Congestion Mitigation & Air Quality (CMAQ) (\$6.9 million) programs.

Surface Transportation Discretionary Grant Program (STP-D) (\$3.4 million annually): The federally funded STP-D program funds only capital projects. To date, this program has mainly covered transit capital purchases (buses and bus shelters) and bicycle/pedestrian facilities.

Transportation Enhancement Grants (\$7.8 million annually): A major funding source for "stand-alone" bicycle and pedestrian facilities (as opposed to paved shoulders called for in standard highway plans). This program can also provide funding for historical and archeological projects related to transportation, or for landscaping and other projects that enhance a transportation facility.

CMAQ (\$15.6 million annually): Eligibility for CMAQ grants is limited to areas that are not in compliance with federal air quality standards. Funds can be used for operating costs of expanded transit service or capital projects.

Transportation Aids

General Transportation Aids

1999 Base:	\$326,483,400	Annual Change
2000 Budgeted:	\$331,187,500	1.4%
2001 Budgeted:	\$335,891,500	1.4%

General Transportation Aids

General Transportation Aids (GTA) pay a portion of local governments' costs for activities such as road and street reconstruction, filling potholes, snow removal, grading shoulders, marking pavement, and repair of curbs and gutters. WisDOT requests that the rate per mile be set at \$1,644 for CY 2000 and after.

WisDOT is proposing the following four changes to the GTA program:

Setting a maximum amount to be distributed under the mileage-based aid formula and specifying how mileage aid payments will be prorated if the amount is not sufficient. GTA to counties and the mileage-aid rate reflect 3% increases over that for CY 1998 and thereafter (no increase was provided in CY 1999). Aid to municipalities for CY 2000 and thereafter reflects the combination of: 1.) a 3% increase over the amount estimated to be distributed as cost-based aid in CY 1999, and 2.) an amount estimated to fully fund mileage-based payments in CY 2000 and CY 2001 assuming the \$1,644 rate per mile. The total increase for municipalities is less than 3% because some do not qualify for the full rate per mile.

Clarifying the basis for determining the eligibility of police costs. The Local Roads and Streets Council recently made two major recommendations regarding police costs. The first was that a portion of police costs should continue to be counted in calculating local government payments under the GTA formula. However, the second recommendation was that the eligible

portion of police costs should undergo an across-the-board reduction. This is based on a decline in the highway-related proportion of overall police costs. WisDOT has included these recommendations in its biennial budget.

GTA payments to municipalities may not be reduced more than 2% in a single year. In the past the limit was 5%. This brings the percentage for municipalities in line with that already enacted for counties. In addition, this will help cushion the transition of reduction in eligibility of police costs.

Requiring annual mileage certification beginning December 15, 2001. This will reflect mileage changes in calculating GTA payments each year beginning in CY 2002. Once every two years, local governments will be required to perform an assessment of the physical condition of the roads and streets under their jurisdiction. These figures will be placed in the redesigned WisDOT Local Road Database. By having this data centrally located and consistently rated, a statewide local roads and streets assessment will be possible.

Transit Aids

1999 Base:	\$97,169,600	Annual Change
Federal Plan	\$7,600,000	
2000 Budgeted:	\$107,711,300	2.8%
2001 Budgeted:	\$109,559,300	1.7%

Transit Aids

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. State aid recipients include approximately 25 local bus systems and 40 shared-ride taxi systems.

Formula and statutory modifications are proposed which are designed to enhance the stability and predictability of overall funding for transit operating costs.

Restructuring tiers. It is proposed that Milwaukee and Madison remain a separate tier and that the rest of the

state will be combined into a second tier. The federal-state formula would be replaced with caps on the maximum share of costs: 50% for Milwaukee and Madison; 60% for urbanized area service; and 65% for nonurbanized area service.

Modify minimum local-match requirement. The local share will be changed from 20% of state aid to 10% of operating costs, which will be more predictable in advance. WisDOT also proposes that shared-ride taxi systems be ineligible for increased state aid unless they voluntarily provide an equivalent local match (10% of operating costs), phased-in initially at 5% of operating costs.

Elderly and Disabled Aids

1999 Base:	\$8,886,900	Annual Change
Federal Plan	\$300,000	
2000 Budgeted:	\$9,505,100	3.5%
2001 Budgeted:	\$9,704,100	2.1%

Elderly and Disabled Aids

WisDOT administers two programs to assist elderly and disabled residents meet their mobility needs: an aid program that provides assistance to counties based on eligible population and a capital grant program that helps non-profit organizations and local governments purchase vehicles.

Special Highway Aids

1999 Base:	\$17,706,000	Annual Change
2000 Budgeted:	\$17,706,000	0.0%
2001 Budgeted:	\$17,706,000	0.0%

Special Highway Aids

This budget item continues funding at the base level for a variety of local road aids. Covered areas are broken out as follows (in millions):

- Connecting Highway Aids: \$12.9
- Lift Bridge Aids: \$1.4
- County Forest Road Aids: \$0.3
- Flood Damage Aids: \$0.6
- Expressway Policing Aids: \$0.9
- Highway Safety, Local Assistance and Federal Funds: \$1.7

1999-2001 TRANSPORTATION BUDGET: ALL FUNDS AGENCY REQUEST, December 14, 1998

	Base Year (FY 1999) <u>Doubled</u>	<u>1999-2001</u>	Change From BYD (%)	% of Total Budget
TRANSPORTATION AIDS:				
GENERAL TRANSPORTATION AIDS	652,966,800	667,079,000	2.2%	16.7%
TRANSIT AIDS	209,539,200	217,270,600	3.7%	5.5%
ELDERLY AND DISABLED AIDS	18,373,800	19,209,200	4.5%	0.5%
SPECIAL HIGHWAY AIDS	35,412,000	35,412,000	0.0%	0.9%
Total TRANSPORTATION AIDS	916,291,800	938,970,800	2.5%	23.6%
LOCAL TRANSPORTATION CAPITAL ASSISTANCE:				
LOCAL BRIDGE ASSISTANCE	87,094,800	87,081,800	0.0%	2.2%
RAIL ASSISTANCE	31,184,000	31,091,800	-0.3%	0.8%
HARBOR/RAIL PASSENGER/BUS	11,683,800	13,319,400	14.0%	0.3%
AERONAUTICS ASSISTANCE	77,997,600	80,178,400	2.8%	2.0%
LOCAL TRANS. FAC. IMPR. ASSIST.	251,928,200	252,428,200	0.2%	6.3%
MULTIMODAL TRANSPORTATION STUDIES	1,500,000	3,900,000	160.0%	0.1%
TRANSP. FAC. ECON. ASST & DEVELOP.	14,000,000	14,000,000	0.0%	0.4%
SURFACE TRANSPORTATION GRANTS	6,800,000	6,800,000	0.0%	0.2%
CONGESTION MITIGATION & AIR QUALITY	31,246,400	31,246,400	0.0%	0.8%
TRANSP. ENHANCEMENTS GRANTS	15,620,000	15,620,000	0.0%	0.4%
Total LOCAL TRANSP. CAPITAL ASSIST.	529,054,800	535,666,000	1.2%	13.4%
TOTAL TRANSPORTATION AIDS and LOCAL TRANSPORTATION CAPITAL ASSISTANCE	1,445,346,600	1,474,636,800	2.0%	37.0%
STATE HIGHWAYS:				
MAJOR HIGHWAYS	415,010,800	433,618,300	4.5%	10.9%
REHABILITATION	1,070,852,600	1,093,063,600	2.1%	27.4%
MAINTENANCE	297,449,200	311,854,600	4.8%	7.8%
ADMIN. & PLANNING, HWYS	49,813,800	49,817,800	0.0%	1.3%
Total STATE HIGHWAYS	1,833,126,400	1,888,354,300	3.0%	47.4%
DOT STATE OPERATIONS:				
MOTOR VEHICLES	151,239,600	158,490,100	4.8%	4.0%
STATE PATROL	91,216,200	94,420,100	3.5%	2.4%
DEPARTMENTAL OPERATIONS	127,123,800	136,781,900	7.6%	3.4%
Total DOT STATE OPERATIONS	369,579,600	389,692,100	5.4%	9.8%
DEBT SERVICE/RESERVES:				
G.O./REVENUE BOND DEBT SERVICE	180,199,800	210,102,400	16.6%	5.3%
PAY/OTHER RESERVES	0	21,537,400	N/A	0.5%
Total DEBT SERVICE/RESERVES	180,199,800	231,639,800	28.5%	5.8%
TOTAL WisDOT BUDGET	3,828,252,400	3,984,323,000	4.1%	100.0%
The following amounts are appropriated in addition to the WisDOT budget:				
OTHER AGENCIES	32,158,800	32,747,500	1.8%	
SERVICE CENTER OPERATIONS	55,692,000	56,620,400	1.7%	

1999-2001 TRANSPORTATION BUDGET: ALL FUNDS
AGENCY REQUEST, December 14, 1998

	Base Year (FY 1999)	FY 2000 Budget		FY 2001 Budget	
		Dollars	% Change	Dollars	% Change
TRANSPORTATION AIDS:					
GENERAL TRANSPORTATION AIDS	326,483,400	331,187,500	1.4%	335,891,500	1.4%
TRANSIT AIDS	104,769,600	107,711,300	2.8%	109,559,300	1.7%
ELDERLY AND DISABLED AIDS	9,186,900	9,505,100	3.5%	9,704,100	2.1%
SPECIAL HIGHWAY AIDS	17,706,000	17,706,000	0.0%	17,706,000	0.0%
Total TRANSPORTATION AIDS	458,145,900	466,109,900	1.7%	472,860,900	1.4%
LOCAL TRANSPORTATION CAPITAL ASSISTANCE:					
LOCAL BRIDGE ASSISTANCE	43,547,400	43,540,900	0.0%	43,540,900	0.0%
RAIL ASSISTANCE	15,592,000	15,545,900	-0.3%	15,545,900	0.0%
HARBOR/RAIL PASSENGER/BUS	5,841,900	5,799,300	-0.7%	7,520,100	29.7%
AERONAUTICS ASSISTANCE	38,998,800	40,089,200	2.8%	40,089,200	0.0%
LOCAL TRANS. FAC. IMPR. ASSIST.	125,964,100	126,214,100	0.2%	126,214,100	0.0%
MULTIMODAL TRANSP. STUDIES	750,000	1,950,000	160.0%	1,950,000	0.0%
TRANSP. FAC. ECON. ASST & DEV.	7,000,000	7,000,000	0.0%	7,000,000	0.0%
SURFACE TRANSP. GRANTS	3,400,000	3,400,000	0.0%	3,400,000	0.0%
CONGESTION MITIG. & AIR QUAL.	15,623,200	15,623,200	0.0%	15,623,200	0.0%
TRANSP. ENHANCEMENTS GRANTS	7,810,000	7,810,000	0.0%	7,810,000	0.0%
Total LOC. TRANS. CAPITAL ASST.	264,527,400	266,972,600	0.9%	268,693,400	0.6%
TOTAL TRANSP. AIDS and LOCAL TRANSP. CAPITAL ASSISTANCE	722,673,300	733,082,500	1.4%	741,554,300	1.2%
STATE HIGHWAYS:					
MAJOR HIGHWAYS	207,505,400	213,604,400	2.9%	220,013,900	3.0%
REHABILITATION	535,426,300	542,921,400	1.4%	550,142,200	1.3%
MAINTENANCE	148,724,600	151,593,000	1.9%	160,261,600	5.7%
ADMIN. & PLANNING, HWYS	24,906,900	24,936,400	0.1%	24,881,400	-0.2%
Total STATE HIGHWAYS	916,563,200	933,055,200	1.8%	955,299,100	2.4%
DOT STATE OPERATIONS:					
MOTOR VEHICLES	75,619,800	78,351,400	3.6%	80,138,700	2.3%
STATE PATROL	45,608,100	47,108,900	3.3%	47,311,200	0.4%
DEPARTMENTAL OPERATIONS	63,561,900	67,474,600	6.2%	69,307,300	2.7%
Total DOT STATE OPERATIONS	184,789,800	192,934,900	4.4%	196,757,200	2.0%
DEBT SERVICE/RESERVES:					
G.O./REVENUE BOND DEBT SERVICE	90,099,900	100,557,200	11.6%	109,545,200	8.9%
PAY/OTHER RESERVES	0	5,284,300	N/A	16,253,100	207.6%
Total DEBT SERVICE/RESERVES	90,099,900	105,841,500	17.5%	125,798,300	18.9%
TOTAL WisDOT BUDGET	1,914,126,200	1,964,914,100	2.7%	2,019,408,900	2.8%
The following amounts are appropriated in addition to the WisDOT budget:					
OTHER AGENCIES	16,079,400	16,212,800	0.8%	16,534,700	2.0%
SERVICE CENTER OPERATIONS	27,846,000	28,246,500	1.4%	28,373,900	0.5%

source: WisDOT

TDA's perspective on 1999-2001 WisDOT budget

by Philip J. Scherer, TDA
Executive Director

For the most part, WisDOT's recommended 1999-2001 budget is a status-quo proposal. It recognizes that, at this point in time, there is little appetite in either the Governor's office or the Legislature to initiate any new state-generated revenues or to increase traditional funding sources such as the motor fuel tax or vehicle registration fees. That realization, combined with the fact that the increases in federal funding as a result of TEA 21 occurred in FY 1998 and 1999, leaves little new or discretionary funding to work with. For most programs, increases are recommended at or near the expected rate of inflation and generally well below those experienced in the 1997-99 transportation budget.

In total, state generated revenues are expected to increase by just over \$100 million during the next

biennium, with approximately 50% of that amount being consumed by "first draws" such as debt service, salaries and other miscellaneous reserves. The approximately \$50 million increase in state-generated revenues, available for new or expanded programs was used to establish a limited number of new initiatives. These new programs include an intercity bus program and \$2 million for commuter rail studies in the Milwaukee and Madison areas. Other programs that would receive increases above inflation in state funds include the State Highway Maintenance Program, Transit Aids, Elderly & Disabled Transportation Program, Aeronautics Assistance and Debt Service.

The Department's recommended budget contains over 50 statutory provisions. Many of these are designed to advance recommendations of the Local Road and Streets Council, to improve program delivery processes, to improve the Major

Highway Projects/Transportation Projects Commission process, and to free up dollars currently being spent on the myriad of state and federal mandates related to transportation. Much still needs to be done in this area however.

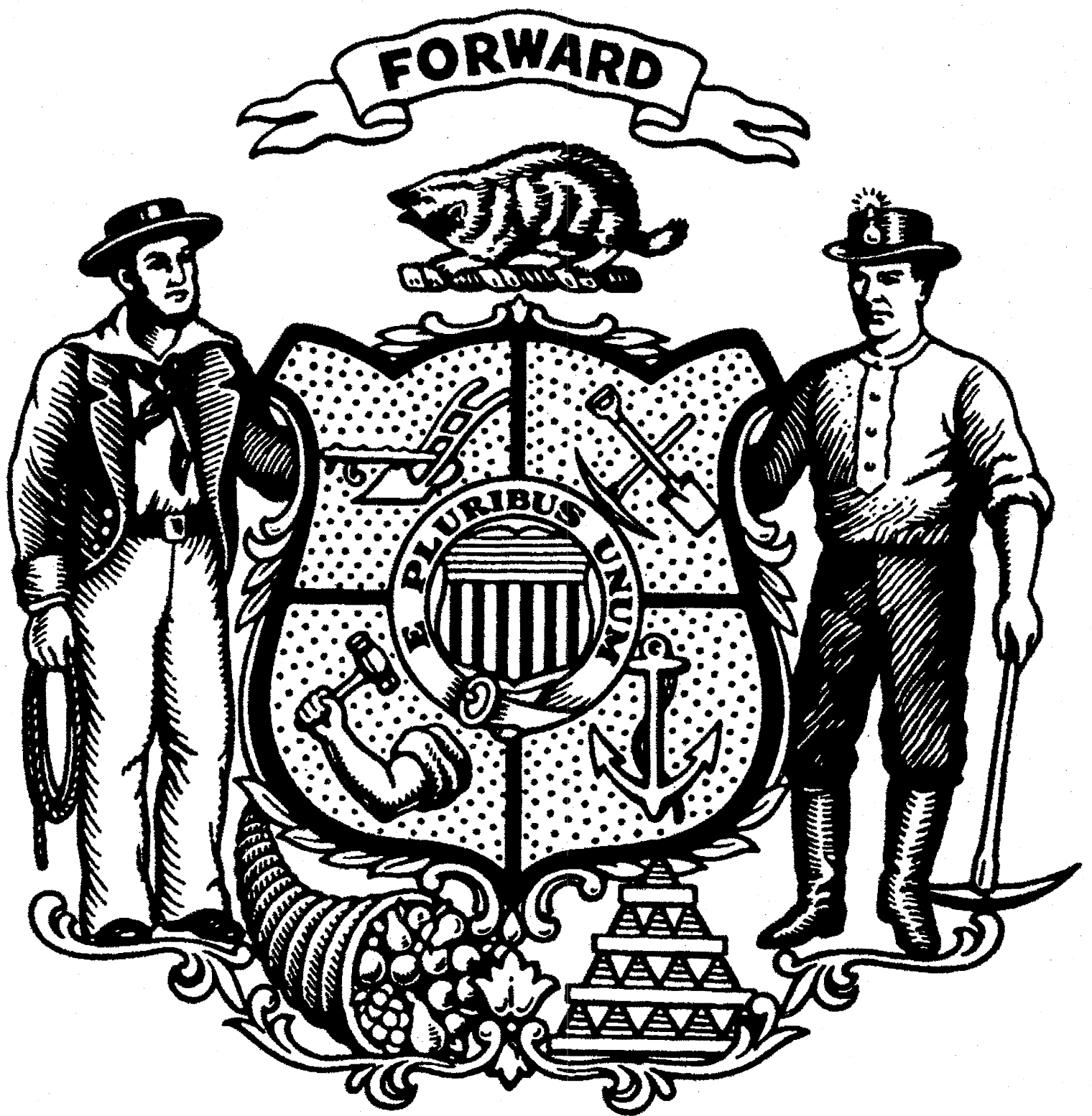
Finally, WisDOT does not address funding challenges on the horizon such as: those related to the Milwaukee area freeway system; those outlined in the Draft State Highway Plan Update; those outlined in the recently completed State Airport System Plan; those almost certain to surface as better numbers become available on local road conditions; and the needs associated with the growing list of inter-city and commuter rail proposals.

As always, please call the TDA office (608)256-7044 for more detailed background on any of the information contained in this *Budget Update*.

Transportation Development Association of Wisconsin
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Department of Transportation

Major Budget Decisions

Local Assistance

General Transportation Aids

- Increase funding by 3% in CY2000 and 0% in CY2001.
- Reduce maximum aid reduction under the aid formula from 5% to 2% (helps Milwaukee – see below).
- Allow DOT, upon consultation with municipalities, to limit reimbursement for police costs.

Transit Aids

- Increase funding by 3% in CY2000 and 0% in CY2001.
- Consolidate small and medium-sized systems into one tier under the formula.
- Limit aid to large systems (Milwaukee County and Madison) to combined federal and state share of 50% of operating expenses. Require large systems to report use of federal aid for operating costs to the department.

Elderly and Disabled Transit Aids

- Provide 3% annual increase.

6th Street Bridge

- Leave a \$5.6 million balance in the transportation fund in the event a match is needed for this project.

Richard Bong Air Museum

- Earmark \$1 million FED for construction of the museum at the Superior airport.

Milwaukee Lakeshore Walkway

- Provide \$2 million from federal ICE funding for a pedestrian and bicycle walkway near the Summerfest grounds.

Highway Program and Other Modes

Major Highway Program

- Reduce bonding share of majors from 53.3% to 52%.
- Maintain 3% growth in program funding (\$6.1 million in FY00 and an additional \$6.4 million in FY01).
- Provide revenue bond obligation flexibility to address use of commercial paper financing.

Department of Transportation

Major Budget Decisions

Rehabilitation

- Increase funding by \$5.8 million (1.1%) in FY00 and an additional \$9.5 million (1.8%) in FY01.
- Allow the Secretary to designate scenic byways as authorized under federal law.

Maintenance

- Increase funding by \$2.9 million (1.9%) in FY00 and an additional \$8.7 million (5.7%) in FY01.
- Implement outdoor sign regulatory changes, including a computerized inventory system and increased fees.

Railroads / Harbors / Other

- Provide bonding authority of \$4.5 million for freight rail and \$3.0 million for harbor projects.

Railroads / Harbors / Other (continued)

- Reduce freight rail infrastructure loans funding by \$500,000 SEG in FY00 and \$1 million in FY01 and require that loan interest be charged.
- Increase funding to maintain Hiawatha service and authorize \$500,000 FED for intercity passenger service initiative.

Deny funding for intercity bus service program, commuter rail studies, and airport perimeter deer fencing.

Land Use

-
- Clarify DOT authority to conduct corridor land use planning.
 - Transfer \$1 million FED annually to DOA for local land use planning grants. Funds would be distributed based on a plan developed by the Office of Land Information Services and concurred in by DOT.
 - Provide \$200,000 SEG annually for digitization of soil maps and completion of soil maps in northwestern Wisconsin.

Motor Vehicles

Failure to Pay Forfeiture Suspension Workload

- Prohibit courts and municipalities from suspending driver's licenses for failure to pay forfeitures associated with violations of local ordinances unless a fee is paid to support costs. The program would not begin until DOT establishes requirements and fee levels through rule.
- Provide \$750,000 SEG annually to offset staff turnover and increase workload capacity.
- Reallocate 3.0 SEG FTE positions to meet workload needs.

Department of Transportation

Major Budget Decisions

License Plate Rebasing

- Provide funding for a 5-year replacement of all license plates, except the Children's First license plate.
- Require a permanent 6-year replacement cycle for license plates.

Postage

- Provide \$159,300 SEG in FY00 to reflect postage cost and workload increases.

State Patrol

Trooper Complement

- Provide \$857,400 SEG in FY00 and \$1,864,800 SEG in FY01 to fully staff trooper positions and expand the authorized strength of the State Patrol by 14 FTE positions.

Other

- Provide \$290,500 SEG annually to complete conversion of communication microwave backbone to digital technology.
- Provide \$425,800 PR in FY2000 and \$48,900 PR in FY2001 for chemical test program operations and replacement of Preliminary Breath Testing (PBT) instruments.
- Provide \$171,700 SEG annually to finance purchase of a computer-aided dispatch system.
- Provide \$55,000 SEG in FY00 and \$66,900 SEG in FY01 for equipment funding and maintenance.
- Consolidate DNR radio repair operations in DOT.

Business Management

- Provide \$92,300 SEG in FY00 and \$174,500 SEG in FY01 to upgrade office space, meet additional rent costs, and implement leasehold improvements.
- Provide \$1,200,000 SEG in FY01 to support and improve the department's information technology infrastructure.
- Provide \$442,000 in FY00 and \$261,300 in FY01 to fund discretionary compensation awards made to information technology staff in FY99.

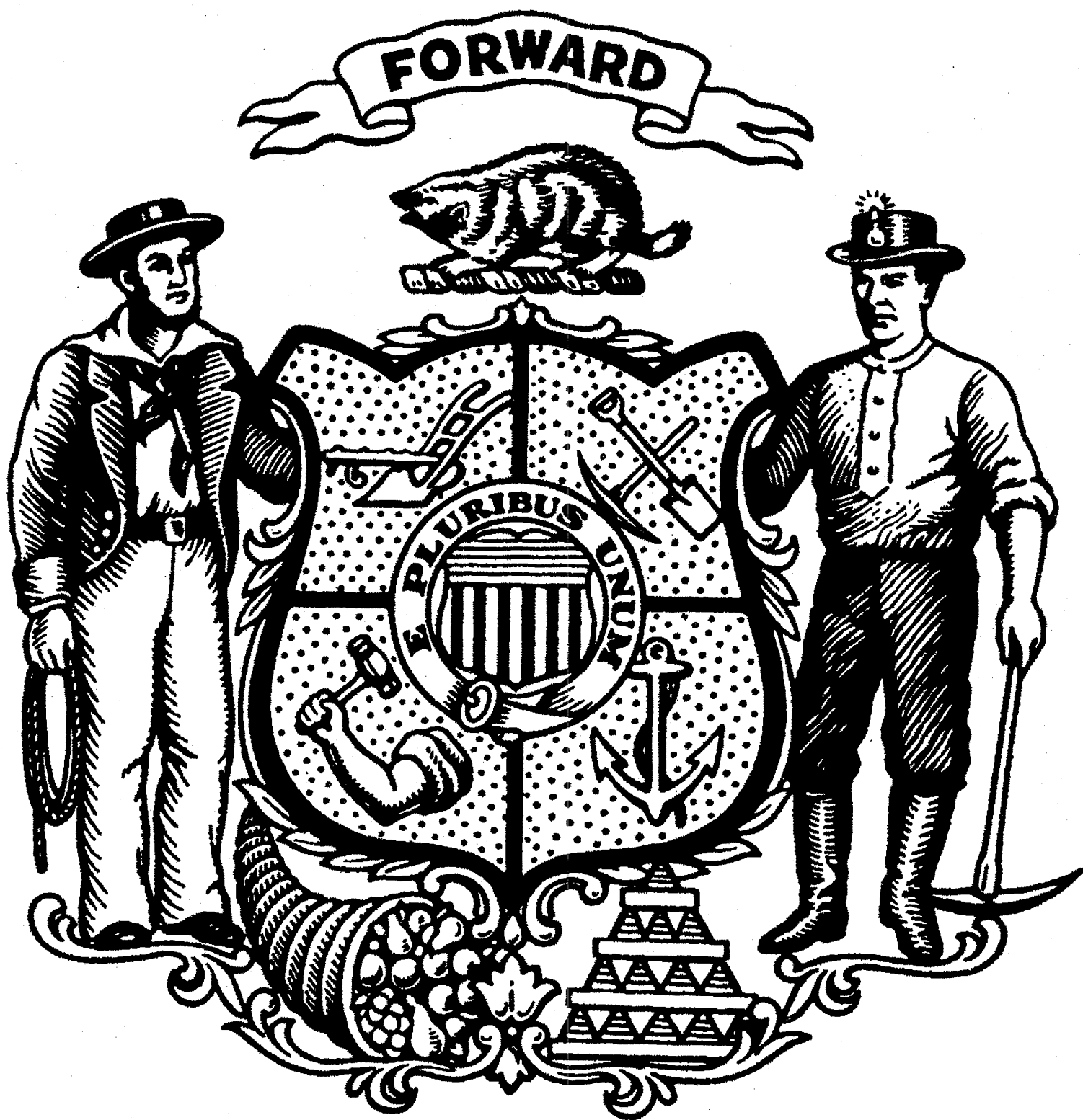
Department of Transportation

Major Budget Decisions

Funding Levels for Key Programs

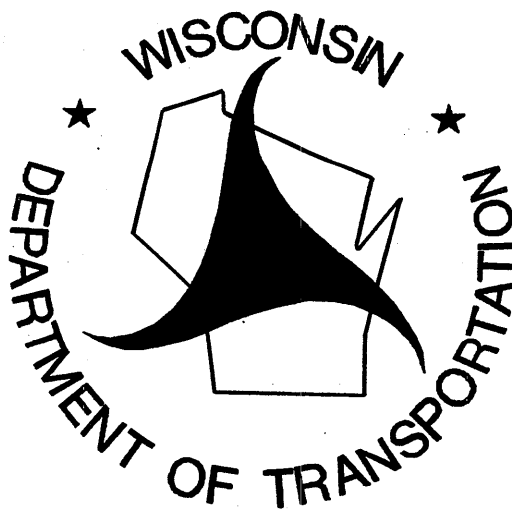
	<u>Time Period</u>	<u>1999</u>	<u>2000</u>	<u>Chg. over Prior</u>		<u>2001</u>	<u>Chg. over Prior</u>	
				<u>\$</u>	<u>%</u>		<u>\$</u>	<u>%</u>
Major Highways	FY	207,505,400	213,604,600	6,099,200	2.9%	220,013,900	6,409,300	3.0%
Rehabilitation	FY	535,426,300	541,213,400	5,787,100	1.1%	550,751,700	9,538,300	1.8%
Maintenance	FY	148,724,600	151,593,000	2,868,400	1.9%	160,261,600	8,668,600	5.7%
General Transportation Aids	CY	326,483,400	335,891,500	9,408,100	2.9%	335,891,500	-	0.0%
Transit Aids	CY	86,517,700	89,113,300	2,595,600	3.0%	89,113,300	-	0.0%

END



END

Wisconsin Department of Transportation



WISCONSIN DEPARTMENT OF TRANSPORTATION

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1999-01 Biennial Budget Summary Through Governor's Request

WisDOT Office of Policy and Budget

February 1999

Wisconsin Department of Transportation

1999-01 Biennial Budget Summary

Through Governor's Request

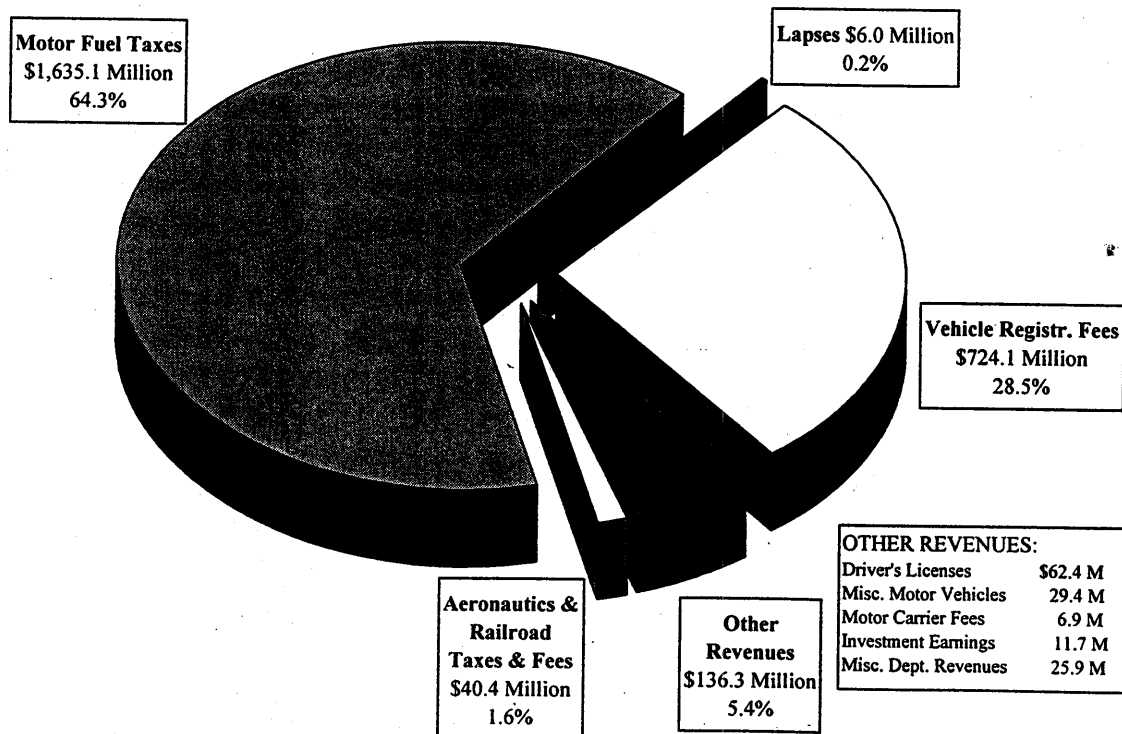
This document summarizes the Department of Transportation's 1999-01 biennial budget request as modified by the Governor in his recommendations submitted on February 16, 1999. The summary does not include every item in the department's budget. Instead it focuses on major items submitted by the department and any new initiatives proposed by the Governor.

The first sections cover the modal programs – the general transportation aids program, transit assistance, and the highway construction and maintenance programs – as modified by the federal fiscal year 1999 plan approved by the Joint Committee on Finance in December. The remaining sections include state operations and the service divisions -- the Division of Motor Vehicles, the Division of State Patrol, the Division of Business Management and the Executive Offices.

The Department's budget as approved by the Governor does not include any increases in registration fees or motor fuel taxes. The request expends only those revenues produced through anticipated inflationary growth in our existing fees.

The 1999-01 biennium growth in Transportation Fund revenues is estimated by the Governor's budget at \$102.4 million, bringing total state revenues to slightly over \$2.5 billion for the biennium, as illustrated in the following chart.

1999 - 2001 STATE TRANSPORTATION REVENUES
\$2.54 BILLION



Expenditures: State Highway Programs

FY99 Federal Expenditure Plan

The Department delayed submission of the 1999-2001 biennial budget recommendations for the highways and local assistance programs pending the Joint Finance Committee's approval of the FY 99 Federal Expenditure Plan. WisDOT is required to submit a plan if federal transportation aid received differs from the amounts estimated in DOT appropriations for the state biennial budget by more than 5%. Since TEA 21 increased transportation spending significantly, WisDOT was required to submit a plan to allocate additional federal funding of \$127.1 million. JFC approved the plan on December 2, 1998, and specified that changes made to the 1998-99 appropriations shall be considered as part of the base for the purposes of preparing the 1999-2001 biennial budget.

Major Highway Program

DOT Request & Governor's Recommendation:		
FY99 Base:	\$207,505,400	
FY00 Budgeted	\$213,604,400	2.94%
FY01 Budgeted	\$220,013,900	3.00%

The Major Highway Program provides for the development or reconstruction of a highway within an existing transportation corridor. It provides long-term solutions to the most serious safety, design and capacity deficiencies on heavily traveled segments of the state trunk highway system.

A major highway project is statutorily defined as a project that involves reconstructing or reconditioning a new highway when total project costs exceed \$5 million and other criteria are met. The Major Highway Program has three sources of funding: State, Federal and Revenue Bond. The Department's policy has been to recommend bonding for 55% of project costs, with the balance cash financed.

Major highway projects are recommended to the Legislature for enumeration after they are evaluated and ranked by the Transportation Projects Commission (TPC), a 14-member body that includes elected officials and private citizens. The TPC may recommend projects only if construction on them can begin within six years. The 1999-01 biennial budget request does not include any new projects for enumeration.

The 1997-99 biennial budget provided an inflationary increase and additional above base funding to accelerate the implementation of the then current majors schedule. Additionally, the \$17.5 million in bonding for the acceleration of STH 29 remains a part of the Majors program base budget when that project is completed in 2002. As a result, the department has advanced a number of major projects. However, additional inflationary adjustments in the 1999-01 biennium are needed to keep the program whole and avoid project delays due to a lack of funding. Inflationary increases in future biennia will also be needed to ensure the ongoing implementation of the currently enumerated major project schedule.

The 1999-01 biennial budget request for the Major Highway Program includes:

Funding for Major Program

The Department requests increases of \$6,221,000 SEG-SC in FY00 and \$12,628,700 (\$10,513,700 SEG-SC and \$2,115,000 SEG-FC) in FY01 to provide approximately 3% annual inflationary adjustments for the Major Highway Program.

Department's Request	
FY99-00	FY00-01
\$6,221,000 BOND	\$10,513,700 BOND
	\$ 2,115,000 SEG-F

Governor's Recommendation: The Governor recommends 3% annual inflationary adjustments and reducing the share of Major Highway Program funding from revenue bond proceeds to 52% by FY01.

Governor's Recommendation	
FY99-00	FY00-01
\$2,675,000 BOND	\$ 3,871,900 BOND
\$1,708,000 SEG-F	\$ 2,328,400 SEG-F
\$1,838,000 SEG	\$ 6,428,000 SEG

Enumeration of Additional Major Project

New Initiative in Governor's Recommendation: The Governor recommends enumerating a new major highway project on USH 41 in Oconto and Marinette Counties.

Transportation Projects Commission

The Department requests statutory language modifications to s. 13.489(1m) to allow the Transportation Projects Commission (TPC) authority to review and select projects for development of feasibility ("Alpha") studies and/or draft environmental impact statements (DEIS) prior to the Department making formal recommendations for project enumeration to the TPC. This change will allow for earlier involvement by the TPC in the Major Projects selection process. **Governor's Recommendation:** Not included in Governor's Budget.

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Bonding Statutory Language

The Department requests an increase of \$187,318,000 in the authorized level of revenue bonds established under s.84.59 (from \$1,255,499,900 to \$1,442,817,900) to reflect upcoming bonding needs consistent with the level of funding for major projects included in this budget request.

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Governor's Recommendation: Increase the level of revenue bonding for major highway projects and transportation administrative facilities by 14.3% to \$1,435,154,900.

Stormwater Management Costs

The Department requests a re-allocation of \$61,200 SEG in FY00 and \$59,400 SEG in FY01 from the Major Highway Development appropriation (362) and a re-allocation of \$382,100 SEG in FY00 and \$370,800 SEG in FY01 from the State Highway

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Rehabilitation appropriation (363) to the Administration and Planning (369) appropriation to cover administrative costs associated with the implementation of new federal and state stormwater runoff control requirements. **Governor's Recommendation: Approved as requested.**

State Highway Rehabilitation

Department's Request		
FY99 Base:	\$535,426,300	
FY00 Budgeted	\$542,921,400	1.78%
FY01 Budgeted	\$550,142,200	1.33%

Governor's Recommendation		
FY99 Base:	\$535,426,300	
FY00 Budgeted	\$541,213,400	1.08%
FY01 Budgeted	\$550,751,700	1.76%

The State Highway Rehabilitation Program upgrades deteriorated pavement and roadway base and modernizes State Trunk Highways to meet current and projected travel needs. The program consists of three subprograms: 1) Existing Highways (3-R: Resurfacing, Reconditioning and Reconstruction); 2) State Bridges; and 3) Interstate System. The program is intended to protect the state's investment in its highway and bridge systems by addressing structural and design deficiencies at the most optimum point to assure a cost-effective use of transportation funds and the longest life of the facility. The State Highway Rehabilitation process is embodied in the state's Six-Year Highway Improvement Program, which is re-examined and updated every two years to reflect funding and priorities established in the state biennial budget.

The 1997-99 biennial budget provided an inflationary increase and additional funding to reduce the backlog of existing rehabilitation projects. As a result, the Department has made recent progress toward reducing the existing backlog. However, additional inflationary adjustments in the 1999-01 biennium are needed to keep the program whole and maintain purchasing power. Inflationary increases in future biennia will also be needed to ensure that projects in the Six-Year Highway Improvement Program can be completed as scheduled.

The 1999-01 biennial budget request for the State Highway Rehabilitation Program includes:

Funding for State Highway Rehabilitation Inflation

The Department requests increases of \$8,313,100 SEG-FED in FY00 and \$15,543,800 in SEG-FED in FY01 to provide an inflationary adjustment for the State Highway Rehabilitation Program.

Department's Request	
FY99-00	FY00-01
\$8,313,100 SEG-F	\$15,543,800 SEG-F

Governor's Recommendation: The Governor recommends increasing funding for highway rehabilitation by 1.1% in FY00 and 1.8% in FY01.

Governor's Recommendation	
FY99-00	FY00-01
\$6,605,100 SEG-F	\$16,153,300 SEG-F

WICORTS Position Funding

The Department requests \$15,800 SEG in FY00 and \$15,800 SEG in FY01 to fund the transfer from Division of Transportation Districts (DTD) SEG appropriation to the WICORT public safety radio communication's PR appropriation. DNR and DOT fund

Department's Request	
FY99-00	FY00-01
\$15,800 SEG	\$15,800 SEG

the WICORT public safety radio positions on a 50/50 basis. Within DOT, the Division of State Patrol and DTD split the Department's share of the total budget authority on a 34%/16% basis. **Governor's Recommendation: Approved as requested.**

State Highway Maintenance & Traffic Operations

DOT Request & Governor's Recommendation:		
FY99 Base:	\$148,724,600	
FY00 Budgeted	\$151,593,000	1.93%
FY01 Budgeted	\$160,261,600	5.72%

State highway maintenance and traffic operations services encompass numerous activities that are important to the safety and convenience of the traveling public. These services include snowplowing, distributing salt and other deicers

on roads and bridges, inspecting bridges, ensuring that rest areas and waysides are clean and well maintained, replacing signs and reflectors, installing traffic signals, repainting highway center lines and edge lines, and paying the electrical bills for freeway lighting. Wisconsin's STH system is maintained primarily by its 72 counties.

Surveys indicate that maintenance and traffic services are viewed as extremely important by state residents that use the highway system. Nevertheless, in making recommendations about priorities for a finite level of projected growth in state revenues, the Department had to balance maintenance funding needs against equally pressing needs in other areas. As a result, the level of funding requested for state highway maintenance and operations is an amount intentionally selected to be greater than merely an inflationary increase (\$11,073,400) but less than the estimated full cost increase to account for growth in the size and use of the STH system. Since FY94, no funding has been provided to recognize the impact that the expanding workload has on the level of service available to STH system users. Approximately \$20 million would be needed to fully fund continuation of the existing level of service for the next two years, assuming inflation remains under 3% annually.

The 1999-01 biennial budget request for the State Highway Maintenance & Traffic Operations Program includes:

STH Operations

The Department requests increases of \$3,626,700 SEG in FY00 and \$11,785,300 in SEG in FY01 for state trunk highway (STH) maintenance and traffic operations. Increases exceeding the rate of inflation are required to keep pace with the growth in both the size and use of the STH system.

Department's Request	
FY99-00	FY00-01
\$3,626,700 SEG	\$11,785,300 SEG

Governor's Recommendation: Approved as requested.

Transfer to Planning Funds

The Department requests a transfer of funding of \$430,100 SEG in FY00 and \$430,100 in SEG in FY01 from the Highway Maintenance, Repair and Traffic Operations appropriation (365) to the Administration and Planning appropriation (369) to reflect the transfer of 12 positions from the Maintenance and Traffic Program to the Planning and Local Assistance Section of the Division of Transportation Districts (DTD). The position transfer is designed to enhance local planning capabilities in Districts 1, 2 and 3. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Include Prorated Taxes in Condemnation Awards

The Department requests a change in statutory language to permit entities condemning property for transportation purposes to include in the award of damages for the property taken their prorated share of property taxes due on the property for the year. Current law requires the former landowner to pay the entire tax bill and then file additional paperwork to receive a refund from the condemnor. The Department proposes that this option be available whenever it seeks to condemn less than a 50% interest in a parcel. If this option were available, the Department could process the real estate transactions related to a growing highway improvement program more efficiently. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Sign Permit Fees

The Department requests an increase of \$510,000 SEG beginning in FY01, initially for the procurement of, and thereafter for the ongoing maintenance of a modern inventory system for outdoor advertising signs adjacent to federal-aid-eligible highways. The Department plans to provide, by administrative rule, for fees estimated to generate additional revenues of about \$1,650,700 in FY 2001, which will cover both the requested increased funding and current base costs related to the regulation of outdoor advertising. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ 510,000 SEG

Clarifying where Outdoor Advertising Permitted

Current law generally prohibits the erection of outdoor advertising signs that are visible from federal-aid highways, unless the signs are erected in an area that is zoned for business, industrial, or commercial use. A 1986 court of appeals decision held that conditional uses can be considered in determining an area to be a "business area" even if the area is primarily zoned for non-business uses. The Governor's budget recommendations would clarify that uses of zoned property authorized by special zoning permission, including uses by conditional use, variance, or special exception, will not be considered in determining whether an area is a business area for purposes of outdoor advertising permits. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Reduced Regulation of On-Property Signs

The Department requests statutory language modifications to s. 84.30 to reduce its control of on-property signs. Since federal law does not require that on-property signs be as strictly controlled as required by s. 84.30, the Department anticipates it would not issue permits for on-property signs. The Department's request proposes to replace aesthetic regulations on the number and type of signs with more safety-related prohibitions on distracting illuminations or hazardous sign locations. The new revenues generated by sign permit fees for outdoor advertising will cover the small loss of permit-fee revenues associated with the reduced regulation of on-property signs (\$7,800 in FY 2000, and \$8,500 in FY 2001). **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$-0-	\$ -0-

Re-estimate of TOC Funds

The Department requests \$314,000 SEG-FC in FY00 and \$314,000 SEG-FC in FY01 for costs associated with operating the Traffic Operations Center (TOC). The TOC is part of the Freeway Traffic Management System (FTM). TOC operations help reduce accidents, increase vehicle speeds, improve air quality and decrease travel time. Currently, the TOC base operations are funded out of the Highway Maintenance Program appropriation (385). This request reflects a re-estimate of the federal funds needed to fund base operations over the 1999-01 biennium. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$314,000 SEG-F	\$314,000 SEG-F

The 1999-01 biennial budget includes the following initiatives related to Transportation Planning.

Increased Federal Planning Funds and State Match-

Appropriation 369- Administration and Planning

The Department requests an increase of \$100,100 SEG and \$400,400 SEG-F in FY00 and \$58,200 in SEG and \$400,400 in SEG-F in FY01 in order to reflect increased federal planning resource levels contained in the Federal Transportation Efficiency Act for the 21st Century (TEA 21).

Governor's Recommendation: Approved as requested.

Department's Request	
FY99-00	FY00-01
\$ 100,100 SEG	\$ 58,200 SEG
\$ 400,400 SEG-F	\$ 400,400 SEG-F

Increased Federal Planning Funds and State Match-

Appropriation 461-Departmental Management and Operations

The Department requests an increase of \$68,000 SEG and \$272,000 SEG-F in FY00 and \$85,900 in SEG and \$272,000 in SEG-F in FY01 in order to reflect increased federal planning resource levels contained in TEA 21.

Department's Request	
FY99-00	FY00-01
\$ 68,000 SEG	\$ 85,900 SEG
\$ 272,000 SEG-F	\$ 272,000 SEG-F

The Department expects to program additional federal planning dollars in both FY 2000 and FY 2001 as a result of increased funding levels contained in TEA 21. State dollars are required to match increased federal funds and to alleviate a current shortfall of \$10,000 in state matching funds. The shortfall is a result of previous increases in Federal funds that were not tied to a state increase and changing levels of matching funds from local units of government. Funding the shortfall will allow the Department to program the full compliment of federal planning dollars it receives. **Governor's Recommendation: Approved as requested.**

Environmental & Other Issues

The 1999-01 biennial budget request includes the following requests for statutory language modifications related to environmental and other issues.

DOT/DNR Cooperative Agreement for Environmental Approval

The Department requests statutory language modifications to s. 30.12(4) and 30.19(1m) to include rail, harbor and airport projects in the exemption from the permit, approval and public hearing requirements of the state's water quality laws, if the projects are carried out in accordance with the DNR/DOT cooperative agreement liaison process. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Wisconsin Scenic Byways Program

The Department requests the creation of a Scenic Byways Program which would grant the Secretary of the DOT discretion to designate roads in Wisconsin as scenic byways. Under TEA 21, approximately \$24.6 million annual average authorization is available for a national program of scenic byways. These funds have their own authorization and obligation authority and are not a part of the annual federal-aid highway funds that Wisconsin receives. As a discretionary program, states must apply to FHWA for approval of their projects. The creation of a Scenic Byways Program will enable the Department to compete for funding under the national program.

Governor's Recommendation: Approved as requested.

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Offsite Contamination Source Liability Exemption

The Department requests statutory language modifications to repeal the phrase "other than a state agency" from s. 292.13(1) and s. 292.13(1m). Current law specifically excludes state agencies from receiving an exemption for liability related to contamination originating from outside a state agency's property, even if the state agency did not cause or contribute to the contamination. This change puts the responsibility for remediation on the person who owns the source of contamination, not the abutting property owner "receiving" the contamination.

Governor's Recommendation: Not Included in Governor's Budget.

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Zone of Construction and Easement Contamination Management

The Department requests statutory language modifications to s. 292.11 to provide an exemption to DOT for the recovery of contamination clean-up expenses where the Department played no role in causing the contamination. This change exempts the DOT from clean-up expenses associated with leaking underground petroleum storage tanks located within existing or proposed rights-of way.

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Governor's Recommendation: Not Included in Governor's Budget. However, Governor's budget includes the requirement that DOT and DNR develop a memorandum of understanding concerning risk-based cleanup approaches on properties under DOT's jurisdiction.

Corridor Land Use Planning

The department requests a statutory modification that would enable WisDOT to improve its efforts to coordinate land use and transportation planning. One proposal would create a section in Chapter 85 that would add "transportation land use issues" as an eligible use of WisDOT's federal multimodal planning funds. This would enable the department to assist and/or coordinate corridor land use planning and information activities related to highway project development.

Governor's Recommendation: Approved as requested.

Transportation Impact Analyses

The department requests a statutory language change in Chapter 85 to allow the department to require transportation impact analyses for large-scale development proposals that may affect travel on state trunk highways. Both this and the corridor land use planning proposal build upon work that WisDOT currently

does to coordinate transportation planning and development with local land use planning and development. **Governor's Recommendation: Not Included in Governor's Budget.**

Planning Grants to Local Governmental Units

New Initiative in Governor's Recommendation: The Governor's budget includes a proposal to provide \$1 million annually from federal transportation planning monies to support local land use planning efforts.

Wisconsin Land Information System

New Initiative in Governor's Recommendation: The Governor's budget includes a proposal for DOA to develop and maintain the Wisconsin Land Information System and to assess any state agency for any amount that it determines to be required to conduct soil surveys and soil mapping activities. WisDOT's assessment is estimated to be \$200,000.

Expenditures: Local Aids & Assistance Programs

Local Road and Bridge Program

DOT Request & Governor's Recommendation:		
FY99 Base:	\$148,855,300	
FY00 Budgeted	\$149,098,800	0.16%
FY01 Budgeted	\$149,098,800	0.00%

The Local Road and Bridge Program comprises the largest share of transportation capital assistance programs. There are two primary components of the Local Road and Bridge Program: (1) state and federal funding for bridge replacement; and (2) federal aid for rehabilitation of local roads and streets.

General Transportation Aids

DOT Request & Governor's Recommendation:		
FY99 Base:	\$326,343,400	
FY00 Budgeted	\$331,187,500	1.44%
FY01 Budgeted	\$335,891,500	1.42%

pavement, and repair of curbs and gutters.

General Transportation aids (GTA) pay a portion of local governments' costs for such activities as road and street reconstruction, filling potholes, snow removal, grading shoulders, marking

Fund Transportation Aids

The Department requests increased funding of \$4,704,100 SEG in FY00 and \$9,408,100 SEG in FY01 to provide total program funding of \$331,187,500 in FY 2000 and \$335,891,500 in FY 2001. DOT requests that these amounts be allocated to establish the distribution amounts for CY 2000 and thereafter at \$81,106,600 for counties and at \$254,784,900 for municipalities. DOT also requests that the rate per mile be established at \$1,644 for CY 2000 and thereafter, and that the portion of the municipal distribution that can be used for payments under the

Department's Request	
FY99-00	FY00-01
\$4,704,100 SEG	\$9,408,100 SEG

mileage-based component of the formula be limited to a maximum of \$95,278,000 for CY 2000 and thereafter.

The amounts for aid to counties and the mileage-aid rate reflect 3% increases over amounts in current law for CY 1998 and thereafter (no increase was provided in CY 1999). The total amount for aid to municipalities for CY 2000 and thereafter reflects the combination of: 1) a 3% increase over the amount estimated to be distributed as cost-based aid in CY 1999, and 2) an amount estimated to fully fund mileage-based payments in CY 2000 and CY 2001 assuming the \$1,644 rate per mile. The total increase for municipalities is less than 3% because some do not qualify for the full rate per mile. **Governor's Recommendation: Approved as requested.**

Program Recommendations

The Governor's veto message accompanying **Wisconsin 1997 Act 27** requested that DOT study the treatment of special-assessment revenues and other potential funding formula improvements. The Local Roads and Streets Council recommended that no change be made in how special assessment revenues are treated under the GTA formula. DOT agrees with the recommendation, which is consistent with how other local-option revenues are treated in the formula.

DOT recommended the following other program modifications:

- Prescribing a maximum amount that can be distributed under the mileage-based aid formula and specifying how mileage aid payments will be prorated if this amount is not sufficient,
- Clarifying the basis for determining the eligibility of police costs,
- Providing that GTA payments to municipalities may not be reduced more than 2% in a single year, rather than 5% and,
- Requiring annual mileage certification beginning December 15, 2001, reflecting mileage changes in calculating GTA payments each year beginning in CY 2002, and making revisions to the statutes pertaining to the mileage inventory and certification process to encourage the collection of data about the physical condition of local roads and streets.

Governor's Recommendation: Approved as requested, with the exception of the proposed limitation on the maximum amount that can be distributed under the mileage-aid component of the formula.

Other Local Assistance

Local Roads Improvement Program (LRIP)

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 20,656,200	
FY00 Budgeted	\$ 20,656,200	0.00%
FY01 Budgeted	\$ 20,656,200	0.00%

The Local Road Improvement Program (LRIP) addresses long-lasting infrastructure improvements to local roads and streets. Significant increases in the 1997-99 transportation budget resulted in annual program level of

\$20,656,200. The increase included the creation of a \$5,000,000 annual set-aside for high-cost county road projects, complementing the existing \$500,000 annual set-aside for high-cost town road projects. Remaining funding is divided among counties, towns, and municipalities by statutory formula. The

budget request continues funding for LRIP at the base level. Because of a one-time project in 1997-99, base funding provides an increase of \$125,000 for the formula allocation in 1999-01. **Governor's Recommendation: Approved as requested.**

Transfer Base LTAP/TIC Support

The Department requests a transfer of \$250,000 FED annually from the appropriation for Administration and Planning, federal funds, to the appropriation for Local Transportation Facility Assistance, federal funds, to reflect base federal funding provided by WisDOT for the UW-Extension's Transportation Information Center. This is a technical correction to reflect the nature of the activity, which is more appropriate to a "local assistance" appropriation than to an appropriation that is primarily for administration and planning of WisDOT's highway programs.

Governor's Recommendation: Not Included in Governor's Budget.

Department's Request	
FY99-00	FY00-01
\$-0-	\$ -0-

Miscellaneous Local Road Aids

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 17,706,000	
FY00 Budgeted	\$ 17,706,000	0.00%
FY01 Budgeted	\$ 17,706,000	0.00%

The budget request continues funding for miscellaneous local road aids at the base level.

Annual program levels are:

• Connecting Highways Aids	\$12,851,900
• Lift Bridge Aids	\$ 1,350,000
• County Forest Road Aids	\$ 303,300
• Flood Damage Aids	\$ 600,000
• Expressway Policing Aids	\$ 900,800
• Highway Safety, Local Assistance, Federal Funds	\$ 1,700,000

Governor's Recommendation: Approved as requested.

Transit Operating Aid

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 84,323,600	
FY00 Budgeted	\$ 87,265,300	3.49%
FY01 Budgeted	\$ 89,113,300	2.12%

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. Any local government may apply for aid for a service area containing a city or village with a population of a least 2,500. State aid recipients

include approximately 25 local bus systems and 40 shared-ride taxi systems.

Urban Transit

State transit aid is currently provided in three separate appropriations (Tiers A, B, and C). The Department requests net increases of \$2,941,700 SEG in FY 2000 and \$4,789,700 SEG in FY 2001 to provide total state funds of \$87,265,300 in FY 2000

Department's Request	
FY99-00	FY00-01
\$2,941,700 SEG	\$4,789,700 SEG

and \$89,113,300 in FY 2001. The request reflects the above-base amounts required to fund and continue the 3.5% increase provided in current law for CY 1999, and the additional amounts required to provide a 3% increase for CY 2000 with no additional increase in state funds for CY 2001. State funding will total \$89,113,300 for CY 2000 and thereafter.

WisDOT requests statutory language changes to s. 85.20 to modify the existing tiers and distribution formulas beginning in CY 2000. These changes are intended to enhance the stability and predictability of overall funding for transit operating costs and take advantage of the increased flexibility in federal funding for urbanized areas between 50,000 and 200,000 in population.

Tier A would continue to consist of only the Milwaukee County and Madison Metro transit systems (same as current law). Tier B would be comprised of all other eligible applicants, reflecting a consolidation of the current tiers B and C. Formula changes would provide that the distribution of federal and state aid would not be automatically linked. However, requested statutory modifications will specify the maximum percentage of operating costs that may be covered by the combination of federal and state aid. The Tier A maximum would be 50%. For CY 2000 and CY 2001 two different maximums would apply to Tier B systems depending on whether their service is provided in an urbanized area or a non-urbanized area. The maximum for urbanized-area service would be 60% and for non-urbanized-area service, 65%. Beginning in CY 2002, the maximum for all Tier B service would be 65% (corresponding to growth in urbanized-area federal funding authorized under TEA 21).

WisDOT also requests statutory language changes to modify the current minimum local-match requirement. It is currently tied to the amount of state aid provided, meaning that local governments cannot predict it before their state aid for the year is determined, and it declines if federal aid is increased rather than state aid. WisDOT proposes to define it as 10% of operating costs, which will be more predictable in advance, and neutral about whether federal funds or state funds are used to provide additional aid. WisDOT also proposes that shared-ride taxi systems (currently exempt from the local-match requirement) be ineligible for increased state aid unless they voluntarily provide an equivalent local match (10% of operating costs), phased-in initially at 5% of operating costs. **Governor's**

Recommendation: Approved as requested.

Elderly & Disabled Transit

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 9,186,900	
FY00 Budgeted	\$ 9,505,100	3.34%
FY01 Budgeted	\$ 9,704,100	2.09%

WisDOT administers two programs to assist elderly and disabled (E & D) residents meet their mobility needs: an aid program that provides assistance to counties based on their eligible population, and a capital grant program that

assists non-profit organizations and local governments in purchasing vehicles.

E & D County Aids

The Department requests increases of \$193,200 SEG in FY 2000 and \$392,200 SEG in FY 2001 to provide 3% annual increases in Elderly and Disabled Transportation Aid to Counties. This request will increase total program funding from \$6,439,600 in 1999 to \$6,632,800 in 2000 and to \$6,831,800 in 2001.

Department's Request	
FY99-00	FY00-01
\$193,200 SEG	\$392,200 SEG

The Department's recommendation to provide 3% annual increases in county aid, rather than the 3% one-time increase that is being recommended for its other major local aid programs, reflects the priority of maintaining existing critical transportation services for the elderly and disabled. County aid allocations are based on one of two factors: either a county's proportionate share of the estimated E & D population or a minimum-aid amount (equal to 0.5% of the appropriation). **Governor's Recommendation:** **Approved as requested.**

E & D Capital Grants

The Department requests increases of \$125,000 (\$100,000 SEG-F, \$25,000 SEG-L) in FY 2000 and \$125,000 (\$100,000 SEG-F, \$25,000 SEG-L) in FY 2001 to establish the federal-funds appropriation for Elderly and Disabled Capital grants at \$1,500,000 annually. The E&D Capital grant program is based on a federal program, "Section 5310", that provides vehicles for private, nonprofit organizations (and under certain circumstances, local governments) through a competitive application process. **Governor's Recommendation:** **Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$100,000 SEG-F	\$100,000 SEG-F
\$ 25,000 SEG-L	\$ 25,000 SEG-L

Intercity Bus Initiative

Create Intercity Bus Service Assistance Program

The Department requests statutory program authority and state funding of \$526,600 and federal funding of \$822,900, both beginning in FY 2001 assist and restore intercity bus service in Wisconsin. Requested funding is designed to restore, beginning in 2001, bus service on a limited number of routes where it was abandoned in recent years. The routes connect cities with college campuses, a prime intercity bus market, and will serve the elderly and disabled, college students, those who have limited incomes or do not have access to automobiles and those less able to drive long distances. The amount of funding requested is based on an estimate of the cost to provide two daily round trips on four strong candidate routes beginning in January 2001, including the cost to lease up to eight terminals. **Governor's Recommendation:** **Not Included in Governor's Budget.**

Department's Request	
FY99-00	FY00-01
\$-0-SEG	\$ 526,600 SEG
	\$ 822,900 SEG -F

Grants for Bicycle & Pedestrian Facilities, Transportation Enhancements and Congestion Relief

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 27,169,200	
FY00 Budgeted	\$ 27,169,200	0.00%
FY01 Budgeted	\$ 27,169,200	0.00%

WisDOT administers four programs that address slightly different project priorities, but are similar in two respects: 1) Each awards grants for projects that encourage the reduction of single-occupant vehicle travel or promote alternative

modes of travel; and 2) Under each program, projects of various types are compared against each other and awarded funds on a discretionary basis that takes into account program priorities, local commitment, and the merits of individual project proposals.

The federally-funded Congestion Mitigation & Air Quality (CMAQ) program and the state-funded Demand Management & Ridesharing Grant program are similar in that both can fund the operating costs of additional transit service, as well as capital projects. Eligibility for CMAQ grants is limited to areas that are not in compliance with federal air quality standards, while Demand Management Grants may be used to promote congestion relief and alternatives to single-occupant vehicle travel statewide. The federally-funded Surface Transportation Discretionary Grant Program (STP-D) funds only capital projects, to date, mainly transit capital purchases (such as buses and bus shelters) and bicycle and pedestrian facilities.

While bicycle and pedestrian facilities are eligible under all four programs, the other program that has been a major funding source for "stand-alone" or retrofit bicycle and pedestrian facilities (as opposed to some paved shoulders called for in standard highway plans) is the federally-funded Transportation Enhancements Grant Program. This program can also provide funding for historical and archeological projects related to transportation, or for landscaping and other projects that enhance a transportation facility.

Annual all-funds program levels are:

- | | |
|---|--------------|
| • CMAQ | \$15,623,200 |
| • Transportation Enhancement Activities | \$ 7,810,000 |
| • Demand Management &
Ridesharing Grants | \$ 336,000 |
| • Surface Transportation Grants | \$ 3,400,000 |

Governor's Recommendation: Approved as requested.

Bong Air Museum

New Initiative in Governor's Recommendation: The Governor recommends providing \$1.0 million in federal transportation enhancement funds, from within the existing funding level for non-WisDOT enhancement projects, to support construction of the Richard I. Bong Air Museum in Superior. The museum will house the P-38 flown by Richard I. Bong during World War II.

Milwaukee Lakeshore Walkway

New Initiative in Governor's Recommendation: The Governor recommends providing \$2.0 million in federal funding over the biennium to support the construction of the Milwaukee Lakeshore Walkway. Funding would be allocated from the \$241 million Interstate Cost Estimate (ICE) monies.

Rail Assistance

Department's Request			
FY99 Base:	\$ 10,596,500		
FY00 Budgeted	\$ 10,509,100	-0.82%	
FY01 Budgeted	\$ 10,880,400	3.53%	

Governor's Recommendation			
FY99 Base:	\$ 10,596,500		
FY00 Budgeted	\$ 11,009,100	3.89%	
FY01 Budgeted	\$ 10,880,400	-1.17%	

Since the 1977-79 biennium, rail programs have been directed toward assisting localities which have recently lost rail service. In addition, the Department is continuing programs aimed at preserving rail service which might otherwise be abandoned, providing financial assistance to both passenger and freight rail service providers, and preserving selected abandoned rail corridors for future public purposes.

Freight Rail Infrastructure Loans

The Department requests a reduction of \$500,000 SEG and an increase of \$500,000 SEG-L in FY 2000 and a reduction of \$1,000,000 SEG and an increase of \$1,000,000 SEG-L in FY 2001 to fund the Freight

Department's Request	
FY99-00	FY00-01
\$ (500,000) SEG	\$ (1,000,000) SEG
\$ 500,000 SEG-L	\$ 1,000,000 SEG-L

Railroad Infrastructure Improvement Loan Program (FRIIP). This program offers low-or-no-interest loans for railroads, shippers and local governments for a variety of capital improvement projects, including track rehabilitation, track consolidation, intermodal facilities and industrial spurs. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund. Base funding is \$1,500,000 in loan repayments and \$4,079,800 in additional funding from the transportation fund. Loan repayments of \$2 million and \$2.5 million will be available for appropriation for FY 2000 and FY 2001. By replacing state funds with repaid loans, the program funding level will remain constant. **Governor's Recommendation: Approved as requested. The Governor's recommendation requires the department to establish, by rule, a low-level interest rate for loans.**

Freight Rail Service Preservation Program

The Freight Rail Preservation Program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned

Department's Request	
FY99-00	FY00-01
\$ 189,800 SEG	\$ 379,700 SEG

railroad corridors that have the potential for future transportation or recreational uses. The budget request includes \$4.5 million in new bonding authority for these purposes, the same level provided in the 1997-99 budget. Debt service on the additional bonding (shown in the table) is estimated to be \$189,800 in FY00 and \$379,700 in FY01. **Governor's Recommendation: Approved as requested.**

Passenger Rail

The Department requests a reduction of \$311,300 SEG and an increase of \$270,000 SEG-F in FY 2000 and a reduction of \$274,100 SEG- and an increase of \$604,100 SEG-F in FY 2001 to reflect an increase in federal funding

Department's Request	
FY99-00	FY00-01
\$ (311,300) SEG	\$ (274,100) SEG
\$ 270,000 SEG-F	\$ 604,100 SEG-F

eligibility for the Hiawatha Rail Passenger Service between Milwaukee and Chicago. The Department, in cooperation with Illinois DOT, is currently in the second year of a three year contract with Amtrak to provide rail passenger service. The reduction in SEG funding and an increase in federal funding is the

result of federal guidelines now allowing the state to use 90% federal funding rather than the previous 80% on rail passenger service. The increase in federal funding results in the state having to provide a lower dollar match (10% vs. 20%). **Governor's Recommendation: Approved as requested. —**

New Initiative in Governor's Budget: The Governor recommends providing \$500,000 SEG-F in FY00 to improve grade crossing warning devices as part of a broader Midwest Rail initiative. This funding will support development of a high-speed rail corridor from

Governor's Recommendation	
FY99-00	FY00-01
\$ (311,300) SEG	\$ (274,100) SEG
\$ 770,000 SEG-F	\$ 604,100 SEG-F

Chicago to Minneapolis. The state will also utilize existing funds, along with Amtrak funding, for preliminary engineering associated with developing this rail corridor, including investigation of station locations on the east side of Madison.

Joint Use - Trails on Active Rail Road Right-of-Way

The Department requests statutory language changes to limit liability for railroad and governmental entities that construct trails on active railroad right-of-way. **Governor's Recommendation: Not Included in Governor's Budget.**

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Railroad Grade Crossings Installation

New Initiative in Governor's Recommendation: Under current law, DOT, local governments, railroads, or individuals may petition the Office of the Commissioner of

Department's Request	
FY99-00	FY00-01
\$ -0-	\$ -0-

Railroads (OCR) to determine whether or not warning devices at public highway-railroad grade crossings are adequate to protect public safety. If the OCR determines that the warning devices are not adequate, it may order safety improvements to be made at the crossing. The cost of the improvements is paid from appropriations from the transportation fund. The Governor's recommendation would amend this procedure to provide that, unless the OCR determines that immediate improvements to a crossing are necessary to protect public safety, the cost of OCR orders may only be funded if the secretary of DOT or a railroad crossing committee, created by the bill, has recommended that the OCR consider improvements at the grade crossing. The Governor's recommendation provides for the railroad crossing committee to consist of 2 persons appointed by the secretary of DOT and 2 persons appointed by the commissioner of railroads, and provides for the committee to:

1. Establish threshold requirements for grade crossing improvements;
2. Maintain a railroad grade crossings database;
3. Review every railroad grade crossing in this state; and
4. Recommend to the secretary of DOT desirable funding levels for railroad grade crossing improvements.

The bill provides for the grade crossing committee to cease to exist after it has reviewed every grade crossing in the state, or on July 1, 2002, whichever occurs first.

Multi-Modal Transportation Studies

Create Commuter Rail Studies Appropriation

The Department requests \$1,000,000 SEG-C and \$200,000 SEG-LC in FY 2000 and \$1,000,000 SEG-C and \$200,000 SEG-LC in FY 2001 to fund a least two comprehensive commuter rail studies within the 99-01 biennium. Given the anticipated costs of comprehensive commuter rail studies (between \$800,000 to \$1,250,000 each) and the likelihood that other commuter rail studies will be requested in future years; this request would create a new appropriation designed to exclusively fund commuter rail studies. **Governor's Recommendation: Not Included in Governor's Budget.**

Department's Request	
FY99-00	FY00-01
\$1,000,000 SEG	\$1,000,000 SEG
\$ 200,000 SEG-L	\$ 200,000 SEG-L

Harbor Assistance

The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce. The budget includes \$3 million in additional general obligation bonding and about \$1.2 million in state funds to continue the program at the same funding level as the 1997-99 biennium. Debt service on the additional bonding (shown in table above) is estimated to be \$126,500 in FY00 and \$253,200 in FY01. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$ 126,500 SEG	\$ 253,200 SEG

Aeronautics Assistance

DOT Request & Governor's Recommendation:		
FY99 Base:	\$ 38,998,800	
FY00 Budgeted	\$ 38,889,200	-0.28%
FY01 Budgeted	\$ 38,889,200	0.00%

Funded primarily with federal aid, the Aeronautics Program provides financial assistance for eligible projects such as runway construction and extension pavement rehabilitation, land acquisition, and the construction of navigational

aids and lighting systems. The program is funded at approximately the FY99 funding level. **Governor's Recommendation: Approved as requested.**

Deer Fencing

The Department requested \$1,200,000 annually from the Conservation Fund for the state share of the construction of adequate safety fencing at Wisconsin airports. While the deer population is increasing, 32 of 38 Wisconsin airports that handle commercial and corporate jet aircraft do not have adequate fencing to prevent deer from entering. WisDOT has documented 66 deer crashes and near misses at airports since 1986. The proposed \$1.2 million annual investment will allow adequate fencing to be installed at the 32 airports over a 13-15 year time frame. The Conservation Fund is an appropriate source of funding because this safety problem is directly related to the size of the deer population, whose management is a Conservation Fund function. **Governor's Recommendation: Not Included in Governor's Budget.**

Department's Request	
FY99-00	FY00-01
\$ 1,200,000 CF	\$1,200,000 CF

Expenditures: WisDOT Service Divisions

Division of Motor Vehicles

The Division of Motor Vehicles administers the regulation of motor vehicle sales and the registration and licensing of vehicles and operators. In the last two biennial budgets, these programs have met increased workload demands through aggressive re-engineering of business practices and application of new technology.

DMV can no longer meet workload demands without additional resources. Across-the-board reductions, unfunded mandates, and growth in the processing of failure-to-pay withdrawals have resulted in increasing backlogs and wait times in telephone service for customers and customer service at field service locations. The 1999-01 biennial budget request includes the following initiatives in DMV:

Driver License Withdrawals for Failure to Pay Violations

The Department requests \$603,800 SEG in FY00 and \$1,207,600 SEG in FY01 to provide staff resources associated with the DMV processing driver license sanctions for failure to pay forfeiture violations. The Department proposes to fund an "alpha" group of positions to do the work associated with this program. Alpha positions will allow the Division to staff at nearly its full authorized level. In addition, a \$12.00 fee is proposed to be assessed to the courts filing these violations which require driver license withdrawal processing. Additional revenues of \$756,600 SEG in FY00 and \$1,513,200 SEG in FY01 are anticipated to be generated through the \$12.00 fee.

Department's Request	
FY99-00	FY00-01
\$603,800 SEG	\$1,207,600 SEG

Governor's Recommendation: Modified DOT request. Governor's Budget provides \$750,000 in both FY00 and FY01 for staff resources. Transfers 2.0 FTE SEG positions from OODS to DMV and \$118,300 for this program. Reallocates 1.0 FTE SEG from third-party DL testing and \$34,600 for this program. The \$12 fee is not included – the Governor's Proposal includes a "voluntary" program for suspension/revocation for certain non-traffic related forfeitures, with the fee to be set by Administrative Rule. No additional revenues are included in the budget.

Operating After Revocation/Operating While Suspended Legislation

The Department requests \$76,000 SEG in FY00 and \$374,900 SEG in FY01 to support contract programmers to make the data processing system changes necessary to implement 1997 Wisconsin Act 84 (which simplifies laws relating to operating while suspended and operating after revocation). DOT is also requesting the authority to change the effective date associated with certain sections of the Act. Due to the complexity of data processing changes required to implement the law, and the time required to make these changes, DOT is requesting an extension in the effective date of certain sections to May 1, 2001.

Department's Request	
FY99-00	FY00-01
\$76,000 SEG	\$374,900 SEG

The requested extension would delay implementation of three Act 84 changes: (1) The circumstances under which proof of insurance must be provided will change requiring first time Operating While Intoxicated withdrawals to become revocations not requiring proof of insurance while Safety Responsibility withdrawals will become suspensions requiring proof of insurance upon reinstatement of

the driving privilege; (2) Making certain serious traffic violations result in revocations while less serious non-traffic related violations will result in suspensions; and (3) Changing the penalties for Operating While Suspended and Operating After Revocation violations. However, DOT has already implemented sections related to three requirements and anticipates implementing sixteen additional provisions by January 1, 2000. **Governor's Recommendation: Approved as requested.**

Reissuing License Plates

The Department requests \$751,900 SEG in FY00 and \$1,603,600 SEG in FY01 for a total of \$2,355,500 SEG to maintain the current plate program and to reissue all current auto and auto-look license plates over a five year period. DOT would not reissue special license plates, including Sesquicentennial license plates (per Gubernatorial veto of 1997 Wisconsin Act 237).

Department's Request	
FY99-00	FY00-01
\$751,900 SEG	\$1,603,600 SEG

Under existing law, DOT is required to reissue license plates within three years, however, no funds were provided to support the three year reissue mandate. Therefore, to reduce the impact on the Transportation Fund, a longer reissue period is recommended. If the reissue time period is not extended, DOT will have to fund current law (three years to reissue license plates). Regardless of which option is chosen, the funds to support any plate reissue will need to be provided to the department.

Governor's Recommendation: Modified DOT request. Governor's Budget increased funding in FY00 to \$967,200 SEG and FY01 to \$2,034,200 SEG. Recommended the extended period for plate reissuance at five years, and included all current auto and auto-look plates (including special group plates – with the exception of the Children First plate) in the five year reissuance period. Governor also recommends a permanent six year replacement cycle be included in the statutes.

Oversize/Overweight Vehicle Permitting System

The Department requests \$600,000 SEG in FY00 and \$500,000 SEG in FY01 to purchase and install an automated permit routing system that will address backlogs and reduce the turn-around time required to produce oversize/overweight vehicle permits. A temporary 18% surcharge on permits will be imposed to offset associated costs for the new system, which is being implemented to address the concerns of the motor carrier industry. Additional revenues of \$347,200 SEG in FY00 and \$699,200 SEG in FY01 are anticipated to be generated by the surcharge.

Department's Request	
FY99-00	FY00-01
\$600,000 SEG	\$500,000 SEG

The new system would allow DOT to link the permit processing system, Geographic Information System base map and bridge and pavement analysis systems. This linkage would reduce reliance on staff/institutional memory to determine routes. As a result, this system would decrease the turn-around time for issuing permits.

Governor's Recommendation: Modified DOT request. The Governor's budget decreased the request to \$447,800 SEG in FY00 and \$193,800 SEG in FY01 to reflect a four year cycle for development and installation of the automated permit routing system. The 18% two year surcharge on permits is reduced to a 10% four year surcharge, with revenues adjusted accordingly.

Third Party Class D Skills Testing

The Department requests authority to develop a third party skills testing program that would: (1) for persons under 18 years of age, allow instructors in a Department of Public Instruction (DPI)

Department's Request	
FY99-00	FY00-01
\$-0-	\$(34,600) SEG

approved driver education program and commercial driving school instructors to conduct a DOT approved Class D skills test as part of the behind-the-wheel training program; and (2) for persons 18 years of age and older, allow approved third party testers to conduct DOT approved Class D skills tests. In FY01 (1.0) FTE can be reduced at a savings of \$(34,600) SEG. A revenue loss of \$(60,000) SEG would occur in FY01. **Governor's Recommendation: Approved as requested. (Note: the 1.0 FTE reduction and \$34,600 associated with the position was reallocated to the Driver License Withdrawals for Failure to Pay Violations decision item as previously noted).**

Increasing Class D Driver Skills Test Fee

The Department requests authority to increase the Class D skills test fee by \$5.00 from the current fee of \$10.00 to \$15.00. New revenues of \$426,800 SEG in FY00 and \$569,000 SEG in FY01 are estimated.

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Governor's Recommendation: Approved as requested.

Repeal \$5 Fee for Title/Registrations Processed by Financial Institutions

The Department requests repeal of the statutory requirement for a \$5.00 fee for title and registration transactions electronically transmitted by financial institutions. A revenue loss of \$(170,000) SEG in FY00 and \$(289,000) SEG in FY01 will result.

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

As part of the 1997-99 Biennial Budget, the Department of Transportation (DOT) proposed entering into partnerships with financial institutions that process title and registration applications for their customers. DOT anticipated there would be a revenue loss associated with reduction in the \$5.00 counter service fee. During budget deliberations, a new \$5.00 fee was proposed and enacted by the Legislature to maintain revenues for the Transportation Fund. However, this fee created a disincentive for financial institutions to participate in the voluntary program. Currently, only 8 (of the 200-300 financial institutions originally estimated and necessary to achieve the anticipated savings) have agreed to process these transactions for their customers. Regardless of participation levels, DOT was required to eliminate 13.6 FTE during the FY97-99 biennium. **Governor's Recommendation: Approved as requested.**

Delay Implementation of Daily Expiration for Automobiles

A change in statutory authority is required to extend the effective date for daily expiration from January 1, 1999 to January 1, 2000.

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

The 1997-99 Biennial Budget established a provision requiring that automobiles initially registered in Wisconsin after January 1, 1999 would have their vehicle registration expire 365 days from the day the vehicle is registered (first operated). DOT did not receive the additional funding estimated to be necessary to implement this requirement. Since enactment of the budget, DOT has been shifting available staff to Year 2000 projects and is unable to implement this requirement until January 1, 2000. **Governor's Recommendation: Not included in Governor's Budget.**

Inspection Maintenance Program

The Department requests \$475,400 FED in FY00 and \$802,200 FED in FY01 from additional Congestion Mitigation Air Quality (CMAQ) funding (above the annual base of \$2,052,600) to support the increased costs of the enhanced emission inspection maintenance program. In 1984, Wisconsin implemented the Vehicle Emission Inspection Maintenance Program (I/M). Program funding was provided from segregated Transportation Fund revenues for the first ten years of the program. In 1995, DOT implemented an Enhanced I/M program in compliance with federal regulations. From FY96-FY99, CMAQ funding was utilized to cover the additional costs above base for implementation of the enhanced program.

Department's Request	
FY99-00	FY00-01
\$475,400 FED	\$802,200 FED

Currently, the Enhanced I/M program is operated under a seven year contract with Envirotech Systems Control, Inc.. The additional costs are due to increased test volumes and contractual increases in the cost per test. **Governor's Recommendation: Approved as requested.**

Hazardous Materials Registration Program

The Department requests the appropriation created to support the costs of implementing the Hazardous Materials Registration Program in the Division of Motor Vehicles be repealed. In addition, any remaining balance in this appropriation should be deposited into the Transportation Fund. Any remaining balance will be used to offset costs associated with administering and closing out the program, as well as those costs associated with refunding fees under court order in the disposition of the American Trucking Association (ATA) lawsuit. The ATA filed a lawsuit against the Department of Transportation challenging the hazardous materials registration fee. As a result of the lawsuit, the court ordered hazardous materials fees be refunded to every hazardous materials transporter (over 3,000 registrants). **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Postage

The department requests \$237,700 SEG in FY00 and \$78,400 SEG in FY01 to meet postage rate inflation and mailing volume growth in the DMV programs. Inflationary costs are based on the rate increases approved by the U.S. Postal Service.

Department's Request	
FY99-00	FY00-01
\$237,700 SEG	\$78,400 SEG

Governor's Recommendation: Modified DOT request. The Governor's budget reduced the funding to \$159,300 FY00 and \$ -0- in FY01.

Distinctive License Documents for Licensees Under Age 18

New Initiative in Governor's Recommendation: The Governor's Budget created a new requirement for a distinctive looking drivers license for licensees under 18 years of age. The effective date of the new requirement is for licenses first issued on January 1, 2000. Costs to the Department for implementing this new provision have not yet been determined.

Department's Request	
FY99-00	FY00-01
\$-0-	\$-0-

Division of State Patrol

The Division of State Patrol is responsible for enforcing Wisconsin's traffic and motor carrier laws, assisting motorists and inspecting certain vehicles for safety. Despite the reallocation of base reductions and additional resources provided in the 1997-99 biennial budget, technology needs and the goal of reaching a full complement of troopers and inspectors requires additional resources for the following initiatives:

Trooper/Inspector Vacancy Reduction

The Department requests \$535,500 SEG in FY00 and \$1,056,200 SEG in FY01 to fully fund a third Enforcement Cadet class during the 1999-01 biennium. The third class would provide the trained recruits necessary to compensate for a disproportionate number of retirements and will allow the Patrol to staff near its full position authorizations. A third cadet class will attempt to eliminate all vacant trooper and inspector authorized positions. This request establishes a permanent base for funding cadet classes in the future. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$535,500 SEG	\$1,056,200 SEG

Increase Sworn Traffic Officer Complement

New Initiative in Governor's Recommendation: Includes a Statutory modification that calls for increasing the cap on the sworn complement from 385 to 400 traffic officers.

Governor's Budget provides resources and position authority necessary to increase the number of troopers in the field by 14 FTE.

Department's Request	
FY99-00	FY00-01
\$321,900 SEG	\$808,600 SEG

Digital Microwave Path Completion

The Department requests \$290,500 SEG in FY00 and \$290,500 SEG in FY01 for the master lease purchase of digital microwave equipment to complete the conversion of the existing analog radio microwave paths to digital microwave paths and the addition of required new paths in the western half of the state. Resources are requested to make seven year master lease payments on approximately \$1.6 million of equipment to establish fourteen additional microwave paths. Completing the digital microwave paths throughout the state is required for full implementation of Very High Frequency trunk radio communications technology. **Governor's Recommendation: Approved as requested.**

Department's Request	
FY99-00	FY00-01
\$290,500 SEG	\$290,500 SEG

Computer Aided Dispatch

The Department requests \$187,500 SEG in FY00 and \$187,500 SEG in FY01 for the seven year master lease purchase of a Computer Aided Dispatch (CAD) system. CAD improves the efficiency/effectiveness of trooper/inspectors, Police Communication Officers and division management staff. CAD provides data driven software that allows for the collection, manipulation and reporting of enforcement management information. CAD provides for the full integration of the Mobile Data Computers with the Mobile Data Communications Network.

Department's Request	
FY99-00	FY00-01
\$187,500 SEG	\$187,500 SEG

Governor's Recommendation: Modified DOT request. Governor's Budget provided \$171,700 in each year of the biennium.

DOT/DNR Radio Shop Merger

The Department requests \$435,200 SEG and 7.0 FTE positions in FY00 and \$445,800 SEG and 7.0 FTE positions in FY01 to implement the formal consolidation of

Department's Request	
FY99-00	FY00-01
\$435,200 SEG	\$445,800 SEG

the DOT and DNR radio communications support operations within the Division of State Patrol, Bureau of Communications. Consolidation of the DNR and DOT communications support operations will provide the following benefits: Better utilization of state resources, both personnel and monetary; Increased efficiency through two man radio shops; Decreased duplication by consolidation of 12 repair shops into 9; and Facilitation of a statewide communications enterprise. 7.0 FTE positions and revenues of \$435,200 SEG in FY00 and \$445,800 SEG in FY01 will be transferred from DNR.

Governor's Recommendation: Modified DOT request. Positions and spending authority were included as requested, however, statutory language providing for transfer of revenues from DNR to DOT was Not Included in Governor's Budget.

PBT Replacement

The Department requests \$290,900 PR in FY00 in program revenue from OWI surcharge revenues (s. 20.435 (6) (hx)) for the replacement of 493 Preliminary Breath Test (PBT) instruments.

Department's Request	
FY99-00	FY00-01
290,900 PR	\$-0-

Requested resources are for replacing PBTs deployed within the State Patrol. PBTs help law enforcement officers identify the following types of impaired drivers: Legally intoxicated, but not grossly impaired; Not intoxicated, but exhibiting signs of intoxication due to medical condition; or Impaired drivers from illegal drug use. **Governor's Recommendation: Approved as requested.**

Enterprise Public Safety Communications Services

The Department requests \$22,000 PR in FY00 and \$22,000 PR in FY01 to provide public safety communication services to government agencies. Current law allows financial support for

Department's Request	
FY99-00	FY00-01
\$22,000 PR	\$22,000 PR

public safety communications services from other state agencies only. This request would allow financial support from other non-state agencies.

Governor's Recommendation: Modified DOT request. The Governor's Budget provides a new appropriation for managing resources associated with statewide public safety radio.

Division of Business Management

The Division of Business Management (DBM) provides centralized services for the department associated with accounting, procurement, risk management, facilities management, information technology, and human resource services, as well as managing the department's fleet and printing service centers. Like other service divisions at WisDOT, DBM has been faced with significant budget reductions during the last couple of bienniums. These reductions, in combination with steadily increasing demands for its services, has resulted in insufficient funding in the Division for several programs. The 1999-01 biennial budget request includes the following initiatives in DBM:

Information Technology Infrastructure

The Department requests \$1,852,600 SEG in FY01 to provide a permanent increase in funding for IT infrastructure needs in the Division of Business Management's Bureau of Automation Services.

Department's Request	
FY99-00	FY00-01
\$-0-	\$1,852,600 SEG

In the last several biennia the department has experienced tremendous Information Technology (IT) growth. Projects aimed at supporting and maintaining existing systems, improvements for increased efficiency, and the development of new applications have grown exponentially. Most of the IT funding in WisDOT's base is required to maintain existing systems. With over 290 IT projects in the DOT 1998 *IT Strategic Plan*, the department is unable to fund the technology infrastructure (the basic underlying technological framework) required to implement and support these applications.

Governor's Recommendation: Modified DOT request. The Governor's budget provides \$1.2 million SEG in FY 01 to address four areas within the department's information technology infrastructure: (a) upgrading networks, computer servers and data repositories; (b) data integration development; (c) upgrades and improvements to data base programs; and (d) World Wide Web Enhancements and access tools.

Funding for Discretionary Compensation Awards

The Department requests \$480,500 SEG in FY00 and \$494,900 SEG in FY01 for supplemental permanent salary line funding to provide discretionary compensation awards (DCAs) for Information Technology (IT) professionals in the Division of Business Management's Bureau of Automation Services.

Department's Request	
FY99-00	FY00-01
\$480,500 SEG	\$494,900 SEG

The DCA mechanism offers an opportunity to provide economic recognition to select individuals which may help state agencies maintain their IT workforce in the competitive current market situation for IT professionals. The Department is experiencing significant turnover and difficulty in hiring individuals with appropriate skills. A contributing factor to DOT's recruitment and retention issues is the approximately 20% below-industry-average salaries which the State currently pays. Although DCA's can help, current state pay plan rules do not fund such salary adjustments until the biennium after they are awarded.

Governor's Recommendation: Modified DOT request. Governor's budget provides \$442,000 SEG in FY00 and \$261,300 SEG in FY01.

Fleet Inflation

The Department requests \$161,100 SEG-S in FY00 and \$505,900 SEG-S in FY01 for increased vehicle and equipment acquisition.

Department's Request	
FY99-00	FY00-01
\$161,100 SEG-S	\$505,900 SEG-S

Governor's Recommendation: Modified DOT request. The Governor's budget provides \$109,500 SEG-S in FY00 and \$377,300 SEG-S in FY01. The Governor's budget also includes a nonstatutory provision requiring the Department of Administration to submit a plan to the co-chairs of the Joint Committee on Finance for consolidating the DOT fleet in DOA. The plan must be submitted at the 3rd quarterly meeting of the committee under section 13.10 in the year 2000.